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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

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Abbreviation	Party/Group
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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

Friday 16 December 2022

10 am

Prayers—read by the Lord Bishop of Chelmsford.

Oaths and Affirmations

10.05 am

Baroness Morgan of Drefelin took the oath.

BBC: Future Funding (Communications and Digital Committee Report)

Motion to Take Note

10.06 am

Moved by **Baroness Stowell of Beeston**

That this House takes note of the Report from the Communications and Digital Committee *Licence to Change: BBC future funding* (1st Report, HL Paper 44).

Baroness Stowell of Beeston (Con): My Lords, it is both a privilege and a pleasure to chair the Communications and Digital Select Committee, and I am delighted that so many fellow members will contribute to this debate on our report published in July, *Licence to Change: BBC Future Funding*. My colleagues bring a breadth of knowledge and expertise from across the media, digital and creative sectors and are a joy to work with, as is the outstanding team who advise and support us: Daniel Schlappa, our clerk, Emily Bailey Page our policy analyst, administrator Rita Cohen and, for this particular inquiry, communications officer Lucy Dargahi. However, the committee does not exhaust the House of Lords' expertise and interest in this area, so it is very welcome to see so many other noble Lords signed up to speak in this debate. I look forward to everyone's contribution.

The questions of the BBC's purpose and how it should be funded are becoming more and more urgent. Media consumption is increasingly digital, audience habits are changing and people have unprecedented amounts of choice about where, when and how they consume entertainment and news. Political debates about the BBC's future and the way it is funded can become a distraction from the real threats to its future, but talking about the licence fee should not be a taboo subject, and neither should we avoid highlighting the BBC's flaws and that there are certain audience groups who do not feel well served. Safeguarding the BBC's future and the public value it generates requires us all to have an open conversation about what we want of our national broadcaster and how we should fund it. There are opportunities to be seized, but they will be lost if we make our goal protecting the status quo or defending the institution for its own sake.

We therefore launched this inquiry to provide a cross-party, non-partisan, objective view on these big questions. Unusually, our conclusions and recommendations are

aimed at the BBC as well as at the Government, because we were clear in our conclusions that the corporation itself must lead the debate about the way forward. Facing up to the real threats to its future requires the BBC to define a clear purpose for itself that makes it relevant to today's world, not the world it entered 100 years ago.

Let me say more about the committee's findings before I say more about our expectations of the BBC. We found that the BBC has an important role to play in our national life in bringing people together in an increasingly atomised society and reflecting the nation in times of celebration and hardship, as we have been proud to see it do well during Covid, in Ukraine and when we celebrated and mourned our late, great Queen. We, the members of the committee, believe in a public service broadcaster to help us avoid the fate of polarisation that we see in the USA. However, to remain relevant and valuable in future, the BBC needs to grapple with major challenges around serving audiences in a fast-changing world.

There is more competition than ever. The traditional broadcasters' share of UK viewing fell from 97% in 2010 to 70% in 2021. This downward trend is continuing, with sector analysts predicting it will fall to 50% in five years' time, and it is lower still among younger people. The cost of TV drama production is rising, and international streaming businesses have transformed the market. In 2021, the BBC's content budget was £2.5 billion, Netflix's was \$14 billion and Disney's \$18.6 billion. By contrast, the licence fee fell by 30% in real terms between 2010 and 2020.

A flat licence fee, which does not take account of people's ability to pay, cannot rise to meet the costs of production without being unacceptably expensive for the less well off in society. However, cost is not the only thing which leads people to question the licence fee, and straightforward value-for-money arguments do not convince all those who can afford to pay. The BBC also needs to do much better in reflecting all sectors of UK society. Ofcom data shows that audiences with disabilities, those in Scotland and those who are less well off are the least satisfied with the BBC. If people are not properly represented, they will be even less inclined to pay the licence fee when alternatives are available. We were clear that the legitimacy of public funding, and the BBC itself, can be maintained only by doing a better job of representing the full range of perspectives and communities that make up the UK.

Since our report was published, evidence of the urgency of these issues has continued to mount. Ofcom's most recent report on UK media consumption showed that UK broadcasters continue to lose viewing share to streamers such as Netflix, despite the improved performance of on-demand services such as BBC iPlayer.

In its annual report on the BBC published at the end of November, Ofcom found that the BBC needs to do more to reach and resonate with audiences on lower incomes, although—as was noted in a different debate yesterday—the BBC's promise in response to provide more lighter drama and other genres, together

[BARONESS STOWELL OF BEESTON]

with factual entertainment competitions, perhaps illustrates a lack of understanding of why some audiences have turned away.

To address all these challenges, the BBC needs a new, bold and ambitious strategic vision that sets out its role and answers the question of why it exists, as well as how it will deliver distinctive value in a rapidly changing world. Pleasingly, the BBC has signalled a desire to be more open and front-footed. The chairman, Richard Sharp, told us that the BBC board is currently overseeing a detailed strategy review of the corporation, and Tim Davie's substantial speech to the Royal Television Society earlier this month was a welcome step forward in addressing some of the points raised in our report. He acknowledged that the BBC needs to articulate a clear, market-leading role for itself in the digital age, and that tough choices are needed to secure its future.

This is a good start, but it remains unclear what the BBC wants to be, beyond being a significant player in this global media world; it needs to offer greater clarity and avoid attempting to be all things to all people. Mr Davie said that the BBC needs to differentiate itself. That recognition too is welcome, but we need to see more detail on what this means in practice—what the BBC will do more of, what it will continue to do and what it will stop doing. For that to be meaningful and give us confidence, we need clarity on the strategic purpose driving the plan.

Previous attempts to map out distinctive territory have not always been convincing. Talking about high-quality, unique content is confusing because some of what makes the BBC unique is not necessarily high quality, and what it does that is high quality is not always unique. That is a problem because, if the uniqueness is the way the BBC is funded, what is left of its distinctiveness once the licence fee diminishes in importance or disappears altogether?

That is not an argument to keep defending the licence fee as the BBC's primary source of income, or defining the BBC's output as a way to justify the licence fee. What it demonstrates is the danger of that approach in a world where more people question the licence fee because they can get what they want elsewhere.

Like it or not, the BBC must be more open to discussion about alternative options than it has been in the past. Our report explored a variety of models, ranging from full commercialisation through to full state dependency. We did not set out to recommend any individual funding model, although our evidence was clear that some would not work. Advertising, for example, is highly unlikely to be viable, leading to a multi-billion pound reduction in the BBC's income and damaging other public service broadcasters; a pure subscription model would generate insufficient income while facing major technical challenges and creating barriers to access; and funding the BBC by government grant would risk eroding the BBC's editorial independence.

We were clear, however, that a BBC designed to benefit the nation would require some form of public funding, and there are viable alternatives that deserve serious consideration. For example: a hybrid subscription model—either domestic or international—which you

might describe as a “top-up” approach, where some features are available for an additional fee; a hypothecated tax; progressive reform of the licence fee itself; or a progressively applied household levy.

For the BBC to be serious about safeguarding its future, it needs to be a lot more open about ambitious new proposals for its funding model. I was pleased to see that the Government welcomed our analysis, and the new Secretary of State's recent commitment to launching the independent review of the licence fee is most welcome. We were clear that an independent, evidence-based process to take this work further is what is required.

I am concerned, however, that the review has not yet been launched. It was originally due last summer but, only last week, the Secretary of State seemed no closer to announcing further details on its timing or terms of reference. It would be very good news if my noble friend the Minister were able to say today when this independent review will start.

This matters because any possible changes will take time. Decisions about the BBC's future funding cannot be left to the last minute in charter discussions. Parliament and the public must be given adequate time to engage and must be provided with information about the implications of change. If delays continue, we risk losing the opportunity for the BBC and the Government to consider a broad range of models.

I acknowledge the Government's position that there will be public and parliamentary consultation as part of the BBC charter review, but the committee remains concerned that more extensive engagement is required for an issue of such importance. We heard from members of the public during our inquiry that their voices were not being represented in this debate. Decisions on the BBC's role and future must be taken more transparently than has previously been the case.

Securing the BBC's future will also involve action on the regulatory front. It is vital in a fast-changing media world that the BBC has the flexibility to adapt, and that is why we called for a more nimble regulatory framework; but, at the same time, this must also be balanced with transparency and engagement with stakeholders from the commercial media sector.

I have written to Ofcom to emphasise the importance of ensuring that more flexibility does not lead to the BBC crowding out domestic competitors from the market. It will also be interesting to see what changes to the BBC's internal governance are recommended as a result of the current mid-charter review.

The Communications and Digital Committee has been glad to see both the BBC and the Government signal in response to our report that they are committed to a proactive, constructive discussion on future funding. This will only get more important in the years ahead. We want to see in the decades to come a strong BBC that thrives and delivers value for all audiences across the UK and the world, but achieving that vision will involve tough decisions and bold action.

Now is the time for the BBC to step up and lead this debate, rather than wait for others to decide its fate. It is also time for all of us as parliamentarians to encourage

the BBC and demand that it be bold in responding to the challenges that we have set out in our report. There is so much to gain if it does so. I beg to move.

10.20 am

Baroness Rebuck (Lab): My Lords, I am delighted to contribute to this debate as a member of the Communications and Digital Committee and humbled to speak after our esteemed chair, the noble Baroness, Lady Stowell of Beeston. Please note my interests in the creative industries as detailed in the register. During this inquiry, each member brought a strong set of opinions to the table against which to assess the evidence, and it took expert navigation by our excellent chair to reach the agreed conclusions.

The British public know what the licence fee is. They understand its purpose and, mostly, they pay it. The evasion rate compares well with other European countries. Netflix CEO Reed Hastings has talked of the BBC's role in shaping global broadcasting and said that the iPlayer blazed the trail long before Netflix and on-demand viewing.

In Salford, our committee heard how BBC engineers assess and develop technological advances, from the use of blockchain to immersive TV and AI-controlled cameras. Professor Mariana Mazzucato argued to us that by being at the forefront of technology, with stability as a national and values-driven broadcaster, the BBC has market-shaping power that de-risks and opens up the media innovation chain.

The BBC shapes the demand for content too—for example, in its championing of women's football, culminating in 17 million viewers of the Women's Euro final. The BBC is also, impressively, the largest single investor in UK content, while our vibrant publishing industry, which is where I spent my professional career, owes much to its existence. The BBC has many wide-ranging economic impacts. A PwC study showed that, if the BBC increased its footprint by 15% in a region, it doubled that area's creative growth.

Our committee heard criticism of the BBC too—for instance, that its news coverage can reflect a metropolitan perspective, not the views of the whole country. However, historically all Governments have criticised BBC news coverage if it did not conform to their agendas, and that should never threaten the BBC's very existence.

We also heard that pay TV and streamers were better at reflecting our ethnically diverse society. The BBC takes that issue seriously, but there is still much to do. Many teenagers are switching off the BBC; we spoke to many of them in Salford, and they said they watched the BBC as children and for school revision but now turned to TikTok and YouTube. Ofcom research backs that up, and few longitudinal studies exist to predict whether this generation will eventually return.

Grappling with the loss of income from the licence fee freeze, the BBC has increased its commercial target by 30% for the next five years to £1.5 billion, and is investing its new £750 million borrowing capacity for greater returns. However, according to the National Audit Office, the BBC's commercial activities do not yet contribute significantly to overall income.

We heard evidence for an online-only BBC, a second digital revolution, but there was doubt from some of our witnesses that the UK would achieve full-fibre rollout by 2030—the Minister may want to comment on that—while Enders Analysis highlighted the 8 million adults in the UK who prefer to stick to linear free-to-air TV.

As we have heard, Tim Davie said in a recent speech that the BBC wanted to shape a digital-only future, but there is no detail yet for that vision. As this week's NAO report suggests, the legislative environment needs to become more agile to keep pace with technological change. For example, the decision to allow programmes to be available for longer on the iPlayer took over a year to agree, while the question of how PSB content is displayed on other platforms is yet to be resolved. When we were in Salford, we saw a range of television sets and, frankly, you would have to be an archaeologist to find the BBC. The BBC's metadata gathering and usage could also be improved, which could be an opportunity for the BBC to lead on the ethical but effective use of data.

That takes me to the core of our report: funding models. The European Broadcasting Union, impressed by the BBC's audience, quality, impact and brand, argued that if a country has a reasonable licence fee and avoidance is low then that is the easiest and most transparent way of funding a national broadcaster—yet it is not a progressive model. The question is, as the chair has said: how urgent is change in the context of falling linear viewing, increased digital competition and higher costs?

In our report, we focused on exploring a council tax or progressive household levy that took account of people's ability to pay. We noted that a ring-fenced income-tax solution would adversely affect low-earning shared households and that a telecommunications levy might make internet connectivity more expensive for many. Pure advertising or full subscription alone, as we have heard, would not fund the current BBC, but we heard evidence supporting a hybrid subscription model. To my mind, though, the pure public service part of the two-tier system seems to come too close to the market-failure model that we unanimously rejected, so more work needs to be done.

We must encourage the BBC to work imaginatively on a more detailed vision for the digital age with preferred costed funding options while it turbocharges commercial revenues, mindful of its other role: to provide underserved services. That work is critical, because my time on this committee reaffirmed to me the crucial role of that the BBC plays in supporting our shared national identity, creativity and economic growth.

From the Government, we must ask the Minister to reassure us that any decision on future funding models will be decided with the BBC and that independent market studies will be commissioned, made available and consulted upon thoroughly with Parliament and, eventually, with the public.

10.27 am

Lord Hall of Birkenhead (CB): My Lords, in my view, the most important thing about the report that we are discussing today is that it casts light forensically

[LORD HALL OF BIRKENHEAD]

to inform the debate about the big question of how to fund the BBC. The committee took a large amount of evidence from a broad range of opinion, both in this country and, as has been mentioned, importantly, from across Europe. The result is a careful analysis of the options laid out in a way that I have never seen before—the pluses and minuses of every conceivable way of funding the BBC.

Rightly, advertising looks difficult, and so too does a model based wholly on subscription. That is because it would not deliver on the important principle of universality—in other words, that broadcasting should deliver good things that everyone should have access to equally. That principle is as important now as it ever was, in my view, and defining what it means now and for the future is going to be important. What I drew from this work is that the key objective from now until 2027 should be to find a way to pay that is fairer. Poorer people should pay less and the better-off more, which to my mind points to a reformed licence fee of some sort or some form of household levy.

The point that I really want to make is this: the report laid out options clearly for how to fund the BBC but, in my view, the question of how to fund it and at what level should follow a debate at scale about what we want from the BBC in its second century. The last time the charter was renewed, when I was director-general, the BBC had the financial settlement imposed before discussions took place about its role. Today there is time to get that right and engage the people who pay for the BBC, the licence fee payers, and important stakeholders in a way that makes sense to them. What do they want from the BBC?

Where should that debate begin? There are three big areas to look at. It has to begin with the BBC's role in news and journalism, which is central to what it does. We all know that news is the bedrock of any democracy. The threats to that are clear now that people can get news from anyone, anywhere and any place; bad news and fake news travel faster than the truth. Every person, rich or poor, wherever they live and whatever age they are, should have somewhere in the noise and mayhem of the world where they go to find out what is actually happening. That is what the BBC is there to do, in my view, and the pandemic underscored those arguments.

The public debate needs to examine the BBC as both local and global. No other organisation in the UK or around the world can offer this. In my time, I saw how important local radio was as part of what the BBC offers, both in representing and celebrating communities. This is increasingly an area where the market fails us. That is why, for example, the local democracy reporting service established a few years ago is so important. As noble Lords probably know, the BBC pays for 165 journalists who cover local news for any outlet. About 1,000 individual news outlets have signed up. They have so far syndicated nearly 250,000 stories. That sort of scheme needs to go forward.

Then there is the global: do we want, as a society and country, to build on this? In the past months we have seen brilliant reporting from the Persian service,

for example, and from Ukraine. The ability of the BBC to bring this all together to us depends upon its reach worldwide. The global numbers are big: 492 million people each week, of which the largest share is to the World Service. This increased by 42% between 2016 and 2020, which was in no small measure due to the increased funding won from George Osborne when he was Chancellor of the Exchequer. The evidence is there, and the BBC could do so much more for our soft power around the world.

Away from the journalism, there is another question about the important role the BBC plays for us all—that is, culture. By funding and making programmes by us, about us and for us, it helps define who we are and what we stand for. In the last 12 months, public service broadcasters as a whole provided approximately 35,000 hours of original content, whereas Netflix and Amazon Prime combined provided only 831 hours. That is why the role of the BBC matters. This applies to drama, comedy, music, sport and, if we think back, to the many days of national mourning and commemoration for Queen Elizabeth. Programmes and services that reflect who we are, give expression to our lives and bring us together in joy or in sorrow are an essential and necessary part of our culture going forward—and should be available equally to all.

Of course, the BBC's cultural role in all of this extends to education. This can often be in the mainstream schedules. “Blue Planet II”, for example, showed how powerful scenes of plastics in the oceans led to a change in people's behaviours by reducing the use of single-use plastics. This educative role could also be more specifically targeted. In the first weeks of Covid, for example, the BBC stepped up to the plate. Two-thirds of primary school pupils and 77% of secondary school pupils used the resources of Bitesize during the Covid crisis. The fact that this all could be turned on at such speed again shows the value of a media organisation of scale that has education as one of its primary purposes. This should be debated.

The third area we need to look at is the BBC's role in the future growth of the UK. As we know, the screen industries represent an area of real global competitive strength. At the heart of that is the BBC, and its impact has been real. A brilliant example of that is Cardiff. Since the BBC opened its studios in Roath Lock, the creative sector has grown by over 50%. It is good that the BBC is building on this to ensure that it does more in the nations and regions, and it is aiming to deliver even more than it does now.

Equally, it should be backing people with ideas, continually looking for the talent of the future and developing its role as a trainer for the sector in technical skills through apprenticeships and so on. So many people who have gone on to successful careers point to the BBC as the place it all began—think of Phoebe Waller-Bridge or even Ed Sheeran. For the success of the creative industries, and therefore of us all, the BBC's role in the future is vital and that should be amplified and debated. We are going to want a BBC for information, for our culture and for our creative industries. The BBC is a part of our national infrastructure, but we need a debate—starting now. We need to discuss and define what we want from the BBC, discuss

how it is best delivered and then work out how we fund it in a way that allows it to carry out our needs properly.

Finally, I have a word of caution. The BBC is right to plan for a future where everything is delivered online, quite possibly through a single app. I am sure this is going to happen, and it is exciting. However, we have also got to remember that there are still 8 million people—mostly people who are poorer, live alone, have a disability or are old—who rely on television as it comes now through Freeview. In this debate, their voice matters too.

10.35 am

Lord Vaizey of Didcot (Con): My Lords, it is a privilege to take part in this debate and to be a member of the Communications and Digital Committee, which is so brilliantly chaired by my noble friend Lady Stowell. I sometimes have to pinch myself as I look around the room and see a committee made up of a top publisher, a top BBC executive, a top telecoms executive, a top Lib Dem, a top artist and a rock and roll Methodist minister. I declare my interest as a presenter on Times Radio, a superb competitor of the BBC which is eating the BBC's lunch—at least as far as talk radio is concerned.

I have come not to denigrate the BBC but to praise it with heartfelt love. We are so lucky to have the BBC in this country. Yesterday I talked about our arts ecosystem and how lucky and privileged we are to have that. We are lucky as a country to have such a high-quality state-funded broadcaster that is completely independent of government and continues to raise the bar. We should never forget that.

I am delighted that my speech is almost identical to that of the noble Lord, Lord Hall, because that must mean I am on the right track. There are three reasons why we need to continue to support the BBC. The first, as the noble Lord has already articulated, is trust. In an internet-fragmented world of disinformation, we need more than ever a trusted brand that means that, when we turn on the news, we know we are getting as close to the truth as possible. Secondly, we need the BBC for quality. Reed Hastings, as the noble Baroness, Lady Rebuck, noted, has pointed out how the BBC continues to innovate and raise the bar for all commercial broadcasters in this country. Thirdly, and most importantly, the media is so important to our society that it is vital we hold on to home-grown media. While we have a plethora of media choices as consumers, the vast majority are owned in the United States. It is really important that we have, as an anchor tenant, a British media company.

It is true that we have a rich ecosystem and maybe, as an intellectual exercise, you would struggle to suggest that we should create a state-funded broadcaster today. The fact is that the BBC exists, and it is a vital part of that ecosystem. If it was removed, we would be so much poorer. It is very depressing to me that, in the 100th anniversary year of the BBC, there was barely any celebration. Even the BBC's own celebrations were muted, but as one might perhaps expect in the

political climate of today, politicians were few and far between in coming forward to celebrate this extraordinary institution.

The BBC is not above criticism. I also play the parlour game we all play in thinking about the BBC's reach. I have already pointed out that I am a Times Radio presenter, but even before then I questioned—and I continue to question—whether Radio 1, Radio 2 and 6 Music is perhaps overegging the pudding in terms of popular music and what commercial radio can provide. I remember for many years having the *Guardian* complain to me about the reach of the BBC online. There are lots of British newspapers that have the opportunity of a global reach, but which find when they open in new markets that they have to compete against the BBC.

I raised in our committee whether the BBC was right to go so heavily into podcasts, which is an emerging market that could perhaps be catered for better by the private sector. These debates are very nuanced, and it is quite right that the BBC does not want to leave itself out of emerging markets where audiences are going. This speaks to a fundamental point: it really is not for politicians to start telling the BBC what it can and cannot do. Those are commercial and broadcasting judgments for the BBC. It is important for us all to avoid what I call the “Strictly” debate, whereby we quickly descend into deciding which programmes we like or do not like and extrapolate from that BBC policy.

However—again I am echoing what the noble Lord, Lord Hall, was saying much more subtly—the decision to cut back on local radio seems utterly nonsensical. It commands huge political support, but it is a vital community service. When I was an MP during the floods in 2008, I described BBC Radio Oxford as the fourth emergency service; it was a vital source of information for local people.

Huge challenges are facing the BBC, including the move to digital—as the noble Baroness, Lady Stowell, pointed out, Tim Davie made an important speech about how the BBC is going to face that challenge—and addressing the ongoing debate about how impartial it is. I have great confidence in the leadership of Richard Sharp as chair and Tim Davie as director-general. It is right and proper that they address those issues. Some people feel that they are selling the past by daring to talk about the BBC's impartiality, but it is a live political debate, and silence from the BBC's leadership would be a denigration of their duty. Having said that, I have some concerns about how Ofcom is leaning into the BBC. When Ofcom took over regulation of the BBC, I hoped that there would be cool, objective analysis of the services that it provides, but I sometimes worry that it has too much of a political slant.

Our in-depth inquiry into how the BBC is funded came up with a lot of arguments with which we are all familiar, and it came to conclusions which I think most of us can support: first, that we need a state-funded, taxpayer-funded broadcaster; secondly, that, rather like democracy, the licence fee appears often to be the least worst option but has its flaws; and, thirdly, that finding an alternative will be incredibly difficult. If we are to search for an alternative, something like a

[LORD VAIZEY OF DIDCOT]

household levy which introduces an element of progressive taxation into the licence fee may be the way forward. The underlying conclusion of the report chimes with what I have thought for many years, which is that we need constantly to question whether the licence fee is the right solution to fund the BBC, but that to pretend that there is an easy answer and an easy alternative is a fool's errand.

10.41 am

Lord Liddle (Lab): My Lords, after the speeches of great quality that we have heard, I feel somewhat humbled in speaking in this debate. My connection with the BBC is that I was married to it for quite a lot of my life. Therefore, my knowledge is based on outbursts at the breakfast table and some discussions of the huge amount of paperwork that my wife, Caroline, had to get through every evening and at weekends.

I congratulate the noble Baroness, Lady Stowell, on the fair, balanced and well-argued way in which she introduced the debate; it is typical of her, and the report has made an excellent contribution. I want to throw in one idea about the future funding of the BBC and then to talk about the arguments around what we neglect when we concentrate on the core, and how we protect the important bits that we may be losing.

First, on funding, one idea that the report does not mention is the kind of arrangement that we have for overseas aid, whereby a percentage of GDP is automatically devoted to that purpose. I realise that, in the case of overseas aid, the percentage was cut from 0.7% to 0.5%, and we cannot always rule out government intervening in extreme circumstances. But paying a fixed percentage of GDP out of progressive taxation to fund the BBC would be worth thinking about. The worry about the licence fee, which may be the least worst option in some respects, is if politicians like us do not have the guts to argue for putting it up, then the BBC would just be eroded over time. All the arguments about it being a poll tax come up. We have to find an alternative because, if we simply stick with the licence fee, I fear that the BBC will decline over a long period.

Secondly, the financial pressures on the BBC in the past 10 years have been severe and led to the resources available to it being cut back in real terms. Not many organisations have faced similar pressures—I suppose that local government, which I am involved in, would be one. There is a worry that we are losing things that are very important. I worry about what is happening in the World Service; we had a debate about it—I cannot remember whether it was last week or the week before. Some 350 journalists are going; that is a serious cutback in the global capacity of the BBC. By trying to focus resources on the core, are we losing the World Service?

I have even bigger worries about local radio. I was glad that the noble Lord, Lord Hall, made a strong defence of it—I have an interest in it, in that I go on Radio Cumbria an awful lot to talk about politics. Local radio plays a vital role in the community. The noble Lord, Lord Vaizey, mentioned its role during the floods in Oxfordshire. Certainly, in relation to the

floods in Carlisle, 15 or more years ago, local radio was fundamental. I recently received an email from the people at Radio Cumbria, who say that the number of journalists' jobs has been cut back from, I think, six to two. The amount of strictly local coverage is being drastically cut. That is a serious loss. On my side of the House, we are supposed to be committed, as a future Government, to radical devolution in England. If we are serious about shifting political power outside Westminster, we have to have a vital democratic debate to go along with it. Scotland has its own arrangements, which are well protected, but I fear for the future of local radio in England and the vital contribution it makes to local democratic debate. It is particularly important given the decline of local newspapers.

We need to think radically about a new funding model—so I am all in favour of that aspect of the report. But with all this emphasis on the core, we have to be careful that we do not lose both the global reach of the BBC and its local impact.

10.48 am

Lord Berkeley of Knighton (CB): My Lords, I must declare an interest, having suddenly realised on the way here that I have been broadcasting on the BBC since the early 1970s. I say this with some embarrassment, as well as pride. I am not approaching Sir David Attenborough yet, but the word veteran seems to focus.

Mentioning Sir David Attenborough leads me to say that he is a great advocate of the innovative, the educational and the entertaining. When he was controller of BBC2, he was insistent on those qualities and on the commissioning of new work. We should listen to people like him. How fortunate we are that we still look at and listen to Sir David Attenborough, because he presents us with the kinds of things that the BBC initiated, such as programmes on nature, which have had such an extraordinary effect.

I am really thrilled that the report has come out. I congratulate the noble Baroness, Lady Stowell, and her Select Committee. As my noble friend Lord Hall mentioned, it offers precisely the kind of scrutiny we must give that vital subject—the kind of scrutiny we completely failed to give the Arts Council cuts we debated yesterday—because so much is at stake. There is an analogy here. The things at stake for the BBC are exactly the same as those we might have discussed, given the opportunity, about the Arts Council cuts; namely, the preservation of the commissioning of new work and of certain qualities and people who are doing work which is perhaps not universally popular initially but still terribly important.

I speak as a composer who has been commissioned by the BBC, for which I am very grateful, but my comments apply to an enormous number of other people, given the amount of music being commissioned. Just recently, the BBC has done quite a sterling job—perhaps travelling a mile to achieve an inch—in patronising women artists, women composers and people from different ethnic backgrounds; it is all there to be seen in the wonderful festival that is the Proms. When I ran the Cheltenham Music Festival, I was always able to ring up a producer at Radio 3 and say, “We want to

put on a concert with works by Elliott Carter and Sir Harrison Birtwistle. To get the artists who can do that work from abroad, it would help enormously if I were able to say that Radio 3 would be interested in broadcasting it." They would often reply, "That sounds like a fabulous programme; yes, we would like to take it." That is the way in which the BBC and the creative industries can hold hands to make things happen.

Technology has been mentioned. In many ways, noble Lords would be surprised to hear that the BBC is still using some technology which is about 50 years old. When we do outside broadcasts, we use a handheld mic that football commentators have been using for years. That led me to a very awkward situation. When I was introducing a new piece by John Tavener at the Roundhouse in Chalk Farm—another progressive series that the BBC put on—and telling the audience that it was all about the immaculate conception and the blessed Virgin Mary, I suddenly heard dialogue in my headphones: "Is that you, Bert?" "Yeah, how are you, Fred?" "Well, the wife's up the spout again." I suddenly thought: is my discussion about the immaculate conception being broadcast with a conversation between two taxi drivers going on in the background? Of course, the technology was such that I could not stop to ask the outside broadcast van whether they were picking up that conversation like I was. I had to soldier on about the blessed Virgin Mary and the immaculate conception while those two taxi drivers discussed a definitely maculate conception.

I will now discuss the World Service, as, in the past, I travelled in Czechoslovakia while the Russians occupied it and in Russia itself. The Ukraine situation focuses our minds on that subject. I do not think that the man in the street here realises how colossal the soft power of the World Service is or how vital it is to people who are living in a world of oppression and extreme violence to hear what else is going on in the world. As my noble friend Lord Hall said, the bedrock of democracy is news. To be able to share news with the rest of the world is so important. I know that the Government appreciate that soft power and realise that the World Service is important, but we could do more to make our own population realise what they are paying for, because it is such a valuable thing for those who are living under persecution. That is another element that I would very much like to see preserved.

One of the important things about the report is that it does not pull its punches; it is right about many things. When I was on the BBC General Advisory Council—a rather thankless task, in some ways, because the BBC was simply not interested in criticism—I always felt that people were giving lip service by saying, "Oh yes, thank you. Well, we can tick that box; you've been here with three bishops, four ex-cons and whoever else, so we have done our job of consultation." I felt that it did not mean anything. So the BBC must open up in that way and become more open to criticism.

Overall, the report is a launching pad for looking at how to fund the BBC in future. There is no easy way to do that—there is no obvious solution—but we have heard some suggestions which make eminent sense, so I commend the report and congratulate the people who put it together.

10.55 am

Baroness Harding of Winscombe (Con): My Lords, it is a privilege to take part in the debate, although I fear that I will have no anecdotes to come close to those of the noble Lord, Lord Berkeley. I also congratulate my noble friend Lady Stowell on her excellent introduction and comprehensive summary of the report, and on her outstanding chairing of the Select Committee, on which it has been a privilege to serve.

As my noble friend said, there is a real danger that the subject—the funding of a treasured national institution—will very quickly become polarised and political, and that any challenge to the status quo is seen as an existential threat to the institution itself. We have exactly the same problem in our debates on another beloved institution, the NHS: that suggesting reform can risk being accused of not believing in the principle of the institution. What has been hugely encouraging about the way the Communications and Digital Committee has developed the report, under my noble friend's excellent leadership, is that we have been able to move away from those kinds of debates and false polarisation.

As the report and today's debate have so clearly set out, we all fundamentally and passionately believe in the BBC. As many of us said in the recent debate to mark 100 years of the BBC, we all want to see it thrive for another 100 years and beyond; and—not "but"—we are also clear, as the title of the report suggests, that, for the BBC to continue to command the broad support of the population, change is needed. In fact, as the title says, we want to give the BBC licence to change.

The most important reason why the status quo is not an option is precisely because the BBC is so important to our society, democracy and country. As a number of noble Lords have said, technology is driving huge change in society in general, and in our media in particular—some good, and some not so good. Technology connects us directly with people all over the world who share our interests and enables us to access an extraordinary array of content on multiple platforms and devices. However, at the same time, our children and grandchildren face online threats that were inconceivable when we were growing up; the echo chambers of social media are making it harder for people to have civilised debate on our political differences; and the fragmentation of audiences is making it ever harder for a mid-sized media organisation such as the BBC to thrive.

The pandemic and the Ukraine war have brought soaring inflation, and, with that, hardship, uncertainty and fear. That all means that institutions and ways of living that bind our society together are even more important than they were before, so a healthy BBC really matters. It is a public service media organisation that has a mandate of universality to inform, educate and entertain all of us in some way or other, and it brings us all together when it really matters. It helps us to articulate the values we hold dear in our country, acting as national glue in an increasingly fragmented and social media-driven world. However, to do that, the BBC needs to remain genuinely relevant and valued, which means that it needs to change with the times. Change is hard for everyone; the older you get, the

[BARONESS HARDING OF WINSCOMBE]

harder the change gets. If you are a 100 year-old and much-loved national institution, there is no doubt that change can be quite hard to face into.

I would like to use my speech to highlight three areas that the report draws attention to where the BBC needs to change. The first and most obvious, given the title of the report and its subject matter, is the way in which the BBC is funded. The current funding mechanism is not sustainable. My children's generation find it baffling that they need a TV licence when they leave home to go to university without a television. If they want to watch anything, they are not watching on a television, as they do not own one, but we expect them to pay something linked to a TV set. It is not surprising that that generation is the least engaged group of BBC viewers. Linking funding to the ownership of a television set will be ever less justifiable—and this matters, because for a BBC to remain relevant to all, the way we pay for it must be relevant and justifiable to all of us. Changing the funding mechanism, as many others have said this morning, is not going to be easy, but not changing sends the BBC down a certain path where gradually it becomes less and less relevant to society.

The report sets out the pros and cons of the various options. It is clear that an advertising model or full-subscription model would not be financially sustainable or consistent with a mandate of universality. Some form of levy will likely be necessary. We are not the first country to face this transition of funding our public service broadcaster based on the TV set and moving towards some form of levy, and there is much to learn from Germany, Switzerland and Scandinavian countries. One of the biggest learnings, as the noble Lord, Lord Hall, highlighted, is that this takes time. If we are going to do this, we need to get started. Even to be in a position to make a decision for the next charter renewal period, we do not have much time left. Can my noble friend the Minister confirm what the timetable is that gets us to a decision point with ample opportunity for full public consultation and debate in time for the next charter renewal?

Secondly, I would like to address how the BBC delivers on its commitment to universality. I know that the BBC reaches 75% of 16 to 34 year-olds each week, but TikTok is ahead of it with 16 to 24 year-olds. We heard directly from young people in Salford and from people of all ages from other communities outside the elite metropolitan bubble we live in here that they do not feel that the BBC fully reflects them and their interests. Just as how we pay for the BBC must reflect modern society, of course the content really needs to too. I appreciate that this is not easy, and cannot mean that the BBC tries to literally be all things to all people. Choices need to be made, and made wisely. But I worry that the BBC leadership finds it hard to admit the scale of this challenge for fear of the debate really being existential. I think the opposite is true: the only thing that could present an existential threat to the BBC is a failure to acknowledge the need to improve and therefore not to listen hard enough to those communities' needs. The BBC should be more open about the challenges it faces in delivering for all communities and work ever harder to address them.

Thirdly, we need the BBC to lead us in this overall work. It was encouraging, as my noble friend said, to see the recent speech made by the BBC director-general at the television conference and hear that he is aiming to make the BBC a digitally-led public service media company. But one speech does not deliver it, nor does one speech give us sufficient clarity on the BBC's long term vision and plan to inform, educate and entertain us in the digital era. I know that the director-general is right that no organisation on the planet has delivered a successful digital transformation without investment, but no investment proposal should be approved without a compelling long-term vision and plan. We need the BBC to be brave and to set that out for us. That is hard to do if you think the real debate is about your existence—but it is not, and should not be. It is about how the BBC thrives and continues to play a central role in our society for the next 100 years.

11.04 am

Viscount Chandos (Lab): My Lords, what do we want from the BBC and how do we pay for it? Your Lordships' House should be very grateful to the committee for producing this comprehensive review of the BBC's future funding options, and to its chair, the noble Baroness, Lady Stowell of Beeston, for her powerful introduction to this morning's debate.

I declare my interests as set out in the register—and, in particular, as I am a director of and shareholder in the Theseus Agency, which has licensed BBC Studios properties, a director of RSMB, which helps to compile the BARB television and RAJAR radio ratings, and a trustee of the Thomson Foundation, which trains journalists and promotes sustainable media development in low-income countries. My oldest son is a screenwriter who has made and is developing television series for the BBC. As the noble Lord, Lord Vaizey, has already broken the advertising-free principle of this House, I recommend "Cheaters" on the BBC iPlayer for noble Lords' Christmas viewing—though possibly not in front of granny.

What we can reasonably ask the BBC to provide is, of course, inextricably linked to what we are prepared to pay for it. The report approaches this conundrum with a mixture of references to Reithian principles and the more pragmatic starting point of the BBC's current scale and range of activities. It does not attempt to make the case for a radically reduced BBC nor for that matter for a substantially increased one, and I agree with that approach.

I believe that the right questions are: is the deep institutional value of the BBC being focused in the right areas? What can be expected from spending a budget of around £5 billion per annum? How much more than the existing 25% of that budget can be generated by commercial activities? Is there a better and fairer way in which to raise the 75% that comes currently from the licence fee?

I strongly support the committee's advocacy and that by other noble Lords this morning that the principle of universality should not be sacrificed for a more limited market failure-based remit. The rich mix of services and content that flow from the universality

principle is at the heart of the BBC's strength and appeal. Popular and specialised and more minority programming feed each other and the audience's tastes.

The BBC is important not just to the audience but to the whole ecology of the creative industries, as other noble Lords have argued. Just as many of your Lordships argued last week, in our debate on the arts and creative industries, that the subsidised arts were a source of innovation and stimulus for the wider creative industries, so the BBC plays a similarly vital role.

On how to pay for this, I wholeheartedly support most of the report's conclusions. Advertising funding would change the nature of the BBC's services and have a potentially huge impact on other public service broadcasters. A move to a pure subscriber model would be likely to decimate the BBC's revenues for the foreseeable future, as well as undermining the central universality on which the committee and your Lordships' House as a whole—in the debate so far—are agreed.

Is the licence fee still, as the Peacock committee concluded nearly 40 years ago, the least-worst option? That phrase implies flaws and compromises and, in the 37 years that have elapsed since that report, these have only increased. The huge increase in the effective capacity of the spectrum through digitalisation and the growth of the different uses of television sets—as many young people may use their sets almost exclusively for playing video games—make it ever harder to defend the licence fee status quo. It is hardly surprising that there are arguments for contestable funding, although I welcome the committee's scepticism about going down that path even in part, let alone centrally.

The regressive nature of the licence fee also drives the need to consider change, and the committee has clearly set out the possible changes, such as a household-based tax or a hypothecated tax on income, which should be considered both by the Government and by the BBC. Any form of public funding, whether the licence fee or a hypothecated tax, or even grant funding from general taxation, which I differ from the committee in not ruling out, can all be seen as a threat to editorial independence, but it is up to every Government to exercise their powers in that respect, properly.

A number of noble Lords have mentioned the World Service, the importance of which I fully support. I very much regret the settlement nearly 10 years ago that removed the Foreign Office funding for the World Service. Although I know how difficult it would be, I believe that this should be reversed.

The final topic I want to cover in my remaining time is the question of a hybrid subscription model, which I think there is more openness to consider than a pure subscription model. This hybrid model could be for both domestic and international viewers. I am sceptical about it for two or three reasons. One is the dividing line in domestic, in terms of what is a premium product or content and what is not. More fundamentally, I think the opportunity was missed, again 10 years ago, when Kangaroo—a project between the BBC and the other public service broadcasters for a single, powerful streaming service—was ruled out by the competition authorities. I do not believe that Reed Hastings of Netflix spends much of his time worrying about the threat from BritBox or ITVX. I believe that

the BBC may well find that increasing commercial revenues through the exploitation of individual programming, whether through sales or co-productions, such as the deal struck with Disney+ on “Doctor Who”, is a more productive path to go down.

11.11 am

Baroness Bull (CB): My Lords, it's a great privilege to serve on the Communications and Digital Committee and, like many committee members, I start by declaring interests both past and present: I was a BBC governor and I have made and presented programmes on television and radio, where I still pop up from time to time as a contributor. I also join fellow committee members in congratulating the noble Lady, Baroness Stowell, on her skilled chairing and her excellent introduction; and I too note the work of our excellent clerking team.

Being this far down the list means that the debate has already ranged widely across the pages of our report, and I echo many of the points raised, particularly the need for the BBC to better represent and include the full diversity of the UK today. I will use my late billing as licence to focus my remarks more narrowly on the fundamental principle underpinning all our recommendations: that the shape of the future funding model must depend on what the BBC is for and what it provides.

While the Reithian mission to inform, educate and entertain continues to stand the test of time, the 2022 White Paper sets out the Government's intention to review the PSB purposes and objectives, so that PSBs focus on areas where they are uniquely positioned to deliver and which would make us poorer as a nation—culturally, economically and democratically—if they were not provided. This seems to hint towards a market failure role, often regarded as a purpose of public service broadcasting. While some witnesses to our inquiry argued that this should be the exclusive focus of the BBC, many did not, with one suggesting that this kind of “eat your greens” mandate would see the BBC fail to reach large sections of the public.

I was particularly interested in a contribution on this subject from Professor Mariana Mazzucato, from UCL's Institute for Innovation and Public Purpose, who has already been mentioned by the noble Baroness, Lady Rebuck. Mazzucato makes a persuasive case for seeing the BBC in terms not of market failure but of market shaping: a more accurate description in her view of the role it plays in leading innovation, setting new standards and taking the risks necessary for new markets, creative ecosystems and supply chains to emerge.

This was beautifully illustrated in a recent article by Bill Thompson, in which he looks back at market-shaping innovations pioneered by the corporation over its first 100 years: the BBC Marconi Type A ribbon microphone, as well as the lip mic mentioned by my noble friend; NICAM stereo recording and transmission; and DVB-T2, the second-generation system that ultimately made Freeview HD possible and, in doing so, freed up broadcast spectrum for mobile phones, giving us the always-connected world that we live in today.

Then there is outside broadcasting, pioneered in 1936 to relay the Coronation of King George VI, or the BBC's work on broadcasting standards conversion,

[BARONESS BULL]

which allows signals from one type of system to be seen on another. It was this invisible innovation that enabled UK viewers to watch the 1968 Mexico Olympics in colour and to see the 1969 lunar landings as they happened—not just one small step for a man, but a giant leap for international live broadcasting. And who can forget Ceefax; the BBC networking club, a sort of internet forerunner; BBC computers; and the iPlayer?

I mention these innovations not just to enjoy a trip down memory lane, but as a clear example of how BBC innovations have impacted on and beyond the media and broadcasting sectors. They demonstrate not only the BBC's role in shaping and supporting the creative industries, but the importance of the creative industries to an innovation economy. This impact can be seen in two ways: in the way new technologies generated by creative businesses such as the BBC are adopted by other industrial sectors; and in how creative businesses push producers in other sectors to meet their creative needs by developing new products and services. One immediately accessible example of this is the new underwater filming technologies developed for "Blue Planet II", which have created ongoing legacy benefits for scientific research.

Alongside these examples of the BBC as inventor, investor, innovator and "de-risier" of new technologies, its market shaping role is also played out through its content creation and its contribution to talent and skills development, both on and off screen, as already mentioned by my noble friend Lord Hall. This is value distributed across multiple domains and, looked at in these terms, "market shaping" seems a far better lens than "market failure" through which it should be considered. However, fully understanding this kind of value, and then translating it into a source of stable and adequate funding, will require new ways of thinking and new approaches to analysis and assessment.

This is what our report calls for: from the BBC, a bold new vision with its market-shaping role featured prominently; and, from government, a commitment that any future funding model and remit incentivises the corporation to strike the right balance between addressing market failure and shaping markets for the benefit of the UK creative industries and the wider economy.

When we think about the BBC, we tend primarily, as the noble Lord, Lord Vaizey, said, to think about content—the programmes we love and hate—and about whether we like the platforms on which that content is currently made available. Reimagining the BBC as a shaper and creator of markets, rather than as a public service broadcaster whose role is to fill in where the market fails, offers an alternative way to view the BBC's public value and to consider what the BBC is for, what it provides and how it should therefore be funded.

11.17 am

Lord Griffiths of Burry Port (Lab): My Lords, I add my voice to those who have already articulated a response to this committee report, and I add my voice also in expressing appreciation for the chairing of our

committee—some wild and disparate spirits were brought into focus together to achieve some reasonable outcomes, to which many people have now referred.

I am so glad that I have not even caught an echo in any contributor's speech suggesting anything that would threaten the BBC's future. It is integral to our national life and it would be like selling the family silver if we were too light-hearted about sacrificing it in some silly way. We need a commitment to the BBC, just as the BBC seeks to find a way of committing itself to enhancing its role as a part of our national ethos.

I have noted from the various contributions some pressure points. First, from the noble Baroness herself, the pressure on the BBC to get some strategic thinking done and get something coherent out for us all to consider, recognising that some progress has been made but that more needs to be made. The noble Lord, Lord Hall, added to that by suggesting that pressure needs to be put on all who might have views about what the BBC might need, so as to channel towards the BBC some expressions of hope and suggestions about content and other ways forward. It is not just the BBC in isolation producing its plan; rather, it is some kind of dialectic with the public at large, and the institutions that are part of the public at large, which can be helpful and symbiotic and can create something that is far richer.

The pressure on the Government has also been expressed. A much-promised review needs to take place. I add my voice to those who have expressed hope that the Minister, when he pops up, is going to have something helpful and hopeful to say that we can feel the debate has led towards. The review needs to happen, and the Government need to do their thinking. They have responded to our report but, on the other hand, more thinking needs to be done and targets need to be set.

While I am on my feet, I pay tribute to the noble Lord, Lord Hall. Paragraph 83, on page 31 of our report, talks about the challenges that face the BBC in the next decade. All the challenges that are listed there, and others, were pretty much on the shoulders of the noble Lord, Lord Hall, while he was running the BBC. Therefore, the changes are not going to happen once the other pressures are resolved and a way forward is traced. In the case of the noble Lord, Lord Hall, he had to respond to them as they were happening, including modifying the way the licence fee would be applied to 75 year-olds, with inflationary levels set for the next however many years until the renewal of the charter. I pay a simple tribute to the noble Lord for actually doing it as best he could, without the advantage of the process we are now involved in. We should bear that in mind.

A final pressure is that on Ofcom to be more nimble—I think that was the word—in looking at regulatory changes that may occur from time to time.

If all those pressures are responded to and produce progress that will equip those renewing the charter in 2027 with the background material and thought-through ideas that would be very useful for that process, then all the better. As the noble Lord, Lord Berkley, said, if the report and other materials can serve their purpose and act as a launching pad, then so much the better.

I am not going to take up my seven minutes; it will be a historic moment for a Welsh Methodist preacher to show that he can curtail. On the other hand, perhaps it would be indicative of a wise man who, knowing that things have already been said, does not give himself the luxury of saying them again. I end with just one word. This morning, I contributed to BBC Radio Wales's "Breakfast" show; it is a kind of equivalent of "Thought for the Day", which I did for 17 years for the BBC nationally, until I accepted the Labour Whip and was eliminated from its framework of reference and no longer allowed to do it because, as everybody knows, I would be desperately unbalanced—yet here I am, standing on two feet and perfectly balanced. I say to the noble Lord, Lord Vaizey, that, this morning on the BBC, as I gave a little Christmas meditation. I was no longer the rock Methodist minister; I had changed my genre—it was more soul and gospel.

11.23 am

Lord Lipsey (Lab): My Lords, may I have the unused time of my noble friend?

Like this House, the BBC licence fee is always going to be abolished in five years' time. The current Culture Secretary—I congratulate her on her coming baby—was at it again recently, saying that the Government remain committed to changing the completely "outdated" BBC funding model by 2027; five years, yet again. Noble Lords will forgive me if I do not hold my breath waiting. What are the chances of the current Culture Secretary still being Culture Secretary in five years? Look at the history book: there have been four Culture Secretaries since the last general election, with an average term of nine months. This time, of course, there is another likely change coming along: Keir Starmer, according to a bookmaker I consulted this morning, is 5:2 to be Prime Minister in five years—and I do not expect him to reappoint Ms Donelan, even if she survives that long.

Why is the licence fee always up for abolition? As our report points out, it has two defects. First, the same amount is paid by everyone, rich or poor. If we ignore tax, a 23 year-old on the minimum wage would have to work for two full days to pay the licence fee; it would take someone on £1 million a year two minutes. For a legally compulsory levy, that seems unfair. I personally give even greater weight to the second defect, which is that it gives far too much power over the BBC's income to the Government of the day. In the case of this Conservative Government, they have used this power ruthlessly—because they do not like the BBC much—in the interests of their private sector chums to keep the BBC in check. As Gavyn Davies, a past chair of the BBC and who chaired the Davies committee on which I sat, always says, the Government have kept the BBC on a diet.

The unfortunate thing, as I think our report explores in considerable detail, is that all of the tempting-sounding alternatives to a flat-rate licence fee have their defects. In most cases, these are arguably even more serious than the defects of the licence fee. Advertising is a non-starter: realistic estimates suggest that it would provide only a small proportion of what the BBC needs but, at the same time, would take away a large

proportion of what other public service broadcasters need. What about pay-per-view? Many people would then be excluded from programmes they would like. It must be remembered that the marginal cost of supplying a programme once it has been made is zero. The same argument applies to a sort of supercharged BBC extra channel, channels or programmes which you have to pay to see. That would straightforwardly exclude the poor and bring about an end to universality, which is commonly accepted as the key virtue of the BBC. What about linking payments to council tax? The trouble is that successive Governments have failed to update valuations for council tax, so they are in large measure as arbitrary as the licence fee itself. What about hypothecated tax? What chance would the BBC have in the annual spending round against the NHS, education or pensions?

We could, I think, more easily tackle the dictatorship of the Government over BBC funding. Only this week, we learned from the National Audit Office that the BBC's attempts to go digital are being strangled by a lack of cash. Our report suggests that the Government set up an independent body to advise them on the licence fee. That would at least make the present system of setting the licence fee more rational and less opaque. In an ideal world, I would go further: in my broadcasting utopia the licence fee would be set by an independent, non-partisan body—perhaps one established by royal charter—which would balance the virtues of the BBC with the cost to the licence fee-payer of providing it. Unfortunately, I can have my views and advisers can have their views but, in the end, Ministers are going to decide this. In truth, I do not suppose that Ministers of any colour would give away their power to decide on the BBC's income. In that case, I think the advisory body proposed by our committee is probably the best we can do, inadequate though it is.

At the end of all our evidence-taking, thinking and drafting, I am afraid it was hard to duck the unpalatable conclusion that the licence fee is both the worst and the best way of funding the BBC, and I am not sure how you square that circle. I finish with one conclusion, which the great majority of our witnesses, and certainly everybody who has spoken today and our committee, would agree with. Yes, the BBC has faults, and it should be open to radical change. For that reason, we recommended that it should publish

"a comprehensive long-term vision that sets out its role, and how it will deliver value and distinctiveness in a rapidly changing world."

But the BBC, flaws and all, is a great national treasure—one with which our country leads the world. We dabble with the BBC and the licence fee which funds it at our peril.

11.30 am

Lord Addington (LD): My Lords, when it comes to the end of a debate—especially one like this, where I have not served on the committee—a certain degree of nerves creeps in. One thing has come out in this debate: there seems to be a great deal of good feeling for the BBC, but not for all the BBC, and the bit we do not feel good about changes with every person who speaks. If we take that on board, we discover that

[LORD ADDINGTON]

there is not one answer to this, unless we are imposing some form of dictatorship. But what do we regard as good about the BBC? Its universality—the fact that there is something for everybody.

Certain bits will annoy certain people. For example, I am sure that every Government wish they could, at the snap of their fingers, get rid of the “Today” programme. Time after time, the Government sit down, do stuff, and stuff goes wrong. Whether it goes wrong by little portions or by great tidal waves, the “Today” programme tells us, the political class listen to it, and then, along with the broadsheets, they set an agenda. If things are going reasonably well, the Government do not care, but when they are going badly or they are being criticised, they care deeply. Just about everybody who has spoken in this debate has been in a party that has been in government. It was a bit of a shock to the Liberal Democrats when they discovered that they were getting their fair share of this. As for political bias, I am afraid that the Conservative Party in some form or another has normally been in power over the last 100 years, so if the BBC is out to get it, it is not very good at it—end of.

Noble Lords: Oh!

Lord Addington (LD): Let us settle down. How the BBC is funded is the big question. There seems to be a reluctant agreement about the licence fee, but, as I think the noble Baroness, Lady Harding, put it, a bit of rebranding is required. It is known as the TV licence fee, but my daughter does not watch television programmes on a television but on a laptop. It is surprising to discover the different ways to consume things that the licence fee covers—for example, using a mobile phone—so a bit of rebranding is required.

On the idea that we should consider people’s ability to pay the licence fee, it seems quite appealing initially when you look at local taxation levels and banding levels, until you realise what a gin trap they are for anybody who goes anywhere near them, and how they are totally out of date, et cetera—and on and on into the night. The most dominant Prime Minister of my lifetime was brought down—or at least, the process was started—by playing with that. So, we have to get a degree of consensus, at least about what we do not want.

In terms of advertising, the cake is not big enough, and there is also the universality of streaming and subscriptions; these factors are pulling at each other. Some form of paying for the BBC through a licence fee seems to be the only option for the moment, although it probably cannot carry on as it is unless everybody decides that the other things are far too scary and we do not want to do them.

The idea of having a basic, worldwide news provider more tightly controlled by the Government it is primarily criticising is totally unacceptable. If that were to happen, the entire future of the BBC would be called into question. It would become the party in power’s body, not the nation’s. If we lost that, nothing could do the work that the BBC did, and led the other public service broadcasters to do, during lockdown. There is nothing else that gets close to or has the capacity of

the BBC. We would have to invent something—a very weird creature—that would take it on. I hope that when we hear from the Minister, he says that the Government are behind the idea of having something that is independent and looks fully at the public service duty.

As for the TV licence, let us just call it a licence and grade it. How would we do that? Well, your Lordships’ answer is going to be as good as mine at the moment. However, making sure that the BBC is not under the control of the political group of the moment is absolutely essential. We must have something with a degree of public reaction—we are probably doing that now, but we can always do it better—and a degree of independence. Without that, you are throwing the baby out with the bathwater. Political advantage should not be a factor here. I think somebody said it is dreadful that the BBC is competing with online news—well, yes, but it could be better and more distinctive. You can go to your particular lobby group, but that is not what the BBC should be. Can we have an idea from the Minister when he responds—and indeed from the noble Baroness, Lady Merron—about what the Government think this institution is going to be? If it is going to be very different, the Government need to justify that.

I have one final point, which was mentioned earlier on. I have championed women’s team games at the BBC, which then led the other public service broadcasters on this, and we now expect to see those games. More than half the population enjoy their triumphs and disasters and buy in to that. The job is not finished yet, but that could not have happened without the lead of the BBC quietly breaking the idea, pushing it forward, and pushing forward the raising of standards of professionalism within those sports. That is something the BBC has done that has affected the lives of just about everybody. We all think that there is too much music we do not listen to, and people who do not like sport will think the same, but if we do not allow the BBC to take that initiative and push something forward, we have lost something very important. I hope the Minister will give me his thinking on how this can be achieved when he comes to reply. I say this to the Government: please, do not get rid of something that is basically good. Allow it to change.

11.38 am

Baroness Merron (Lab): My Lords, I start by thanking the noble Baroness, Lady Stowell, for her comprehensive introduction to this excellent report, and I congratulate the Communications and Digital Committee on its work. It was a real pleasure and most insightful to hear from so many members of the committee as well as its chair. I say to the Minister, for once, that I welcome the speed with which the Government have responded to the report and scheduled this debate. As he knows, committee reports are not always dealt with so swiftly, so I want to acknowledge the smooth way the process has run on this occasion, and I look forward to many more such occasions.

Like other noble Lords, I start by reiterating our congratulations to the BBC on 100 years of innovation and public service. As my noble friend Lord Griffiths said, the BBC is integral to our national life. This

debate, rightly and unsurprisingly, has been marked by much praise and affection for a trusted institution that is particularly important, given the crying need to raise levels of media literacy—something we often discuss in this Chamber—so that people can distinguish between what is true and what is false in order to make up their own minds, with the proper information before them.

The role of the BBC has changed much in recent years. As noble Lords reminded your Lordships' House today, its professionalism following the passing of Her late Majesty Queen Elizabeth, and the importance of its news output, whether during the Covid pandemic or throughout the war in Ukraine, have made the BBC an absolutely essential pillar of our daily lives. Yet these are uncertain times for the BBC; as the report notes, we are

“in the midst of a rapidly transforming media landscape.”

Furthermore, as my noble friend Lady Rebeck said, there is a great need to keep pace with technological change. Not only are more broadcasters operating but the content that people want and how they access it is changing: Sky TV, for example, is transitioning away from satellite dishes towards smart TVs and streaming boxes, which would have been almost unimaginable just a few short years ago.

The director-general recently announced the BBC's own plans to go “online-only” over the next decade, and while this will need to be fully worked through in the coming years, those plans suggest that the BBC is far from the dinosaur that some perhaps claim it is. Of course, the organisation is also faced with Ministers who wish to tear up the licence fee system without there being a suitable replacement for it. That is where the report is so helpful.

While successive DCMS Secretaries of State have been unable to identify a workable alternative, this report makes helpful suggestions to be considered, including a universal levy linked to council tax bills, a ring-fenced income tax, or a reformed licence fee with new concessions for low-income households. We are pleased that both the BBC and the Government have responded positively to this report, even if neither is yet in a position to commit to a particular funding system because there is more work to do on that.

As Tim Davie notes in his response to the committee, the priority must be to agree a broad vision for the BBC's future with the funding question to be answered thereafter, and we agree with him that

“the public must be at the heart of the debate.”

On the matter of vision, I share the views of the noble Baroness, Lady Bull, who talked about the need to shape the BBC in a positive way, not in a way that simply mops up where the market leaves a gap. As my noble friends Lord Chandos and Lord Lipsey said, we need to hold on to the principle of universality, not just for the benefit of the public but because it means that a rich mix is being offered to support the wider economy and the creative industries in particular.

In her letter to the committee, Minister Julia Lopez committed to public consultation on the charter review and new funding models, as well as to publishing an assessment of the market impact of any decision given the knock-on effects that will inevitably arise. From

these Benches we welcome those commitments but, as ever, there are several key questions which I know the Minister will want to answer. When will these processes begin, how long will the consultation last, and how will both the BBC and the DCMS encourage people to engage in the process so that we can get to the right place?

Another area that is perhaps not adequately addressed in the Government's response relates to the future of the world-leading World Service. Paragraph 11 of the Government's response states that the upcoming review “will be expected to work closely with the FCDO and ensure that the World Service is given proper consideration.”

However, consideration is not the same as safeguarding and, given recent changes to the World Service, I hope that the Minister can address that in detail.

The noble Lord, Lord Hall, my noble friend Lord Liddle and other noble Lords referred to the importance of local radio, and I absolutely share that view. The noble Lord, Lord Hall, spoke about the fact that local radio celebrates as well as represents communities, and about how it defines who we are and what we stand for and gives expression to our lives. Anybody who has been a constituency Member of Parliament, as I have, will know the importance of local radio in the way that was described. For me, local radio took on a whole different level of importance when it questioned the then Prime Minister Liz Truss. Who could forget that moment when local radio came together to take on such a role and function of national importance?

This report has made an important contribution to ongoing debates around the BBC's future. We all have a stake in the future of the BBC and, if it is to have the chance of another successful 100 years, we must get decisions right.

11.46 am

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, this has been a thoughtful and well-informed debate this morning, and I thank all noble Lords who have taken part in it.

The BBC is a great national institution. Over the past 100 years it has touched the lives of practically everyone in the United Kingdom and many people the world over. It makes an important contribution to our culture, our creative economy and to the strength of our democracy. I am therefore grateful to the members of your Lordships' Communications and Digital Committee for their report on the future funding of the BBC, and in particular to its chairman, my noble friend Lady Stowell of Beeston, for securing today's debate and for the way she set out the committee's conclusions. I have an advantage over the noble Lord, Lord Addington, in that I did serve on the committee, albeit very briefly, so I can see from my 10 days with her and with noble Lords who have spoken today how richly she deserves the plaudits they have given her for the way she chairs it.

The committee's inquiry took evidence from a wide range of prominent figures in the industry, experts and academics, and its thorough report has been helpful in informing the Government's thinking on the future of the licence fee. Today's debate has built on many of the

[LORD PARKINSON OF WHITLEY BAY]
findings in its report and highlighted the range of complex issues that will need to be considered as part of the review and as part of the Government's decision-making on the future of the licence fee.

This debate has also explored many of the benefits and drawbacks of a number of alternative models for funding the corporation. I recognise that many noble Lords may wish to understand the Government's position on the various alternatives which have been set out, but I should be clear at this stage that I must refrain from putting forward a detailed view on the potential alternatives. The Government are preparing to launch a review of the future funding of the BBC, as noble Lords mentioned, and we should rightly consider the findings of that review and fully assess the evidence before setting out any conclusions. However, today's debate and the report of your Lordships' committee are valuable contributions to that ongoing review and to informing the Government's thinking.

I am afraid that I cannot give noble Lords an early Christmas present by setting out the precise date for the launch of the review but perhaps I can set out a few more details about our approach to it. The Government recognise that decisions over the BBC's funding model will and should be tied up with the question of what the BBC is for in its second century, as the noble Lord, Lord Hall of Birkenhead, said. We welcome the committee's recommendations that the BBC should set out its own thinking on the role of the corporation in the future and how the BBC can best adapt to the changing media environment. The review will focus on the BBC's funding model and will not look at the BBC's mission and public purposes—that is, its role and remit. Final decisions will be made as part of the charter review, which is where the future role of the BBC will also be decided, and we will certainly want the public and Parliament to be engaged in that process.

As your Lordships' committee's report found, there are benefits to the licence fee but its drawbacks are becoming more salient. There are a number of issues at the heart of the debate about the future of the licence fee, and the first point I will address is sustainability. As we set out in our broadcasting White Paper, there are clear challenges on the horizon, posed by rapid changes to the sector, not just for the BBC but for our public service broadcasting system as a whole.

As I outlined in the recent debate we had to mark the centenary of the BBC and explore the future of public service broadcasting, technological advances are moving in tandem with changes to how people watch television. Internet-delivered services are revolutionising how content is distributed and consumed. Some 79% of households with a television set now choose to connect it to the internet. Alongside this, viewers have continued to move away from linear television to on-demand viewing. Two-thirds of households subscribe to video-on-demand services, such as Netflix and Disney+, and YouTube reaches 92% of online adults in the UK.

As noble Lords noted, US-based streamers are increasingly using their significant financial resources to compete very effectively with both our public service

and commercial broadcasters. In 2019, the UK's public service broadcasters were collectively able to spend just under £2.8 billion on new content. At the same time, as my noble friend Lady Stowell said in opening, Netflix alone spent an estimated £11.5 billion on production globally.

The Government have set out a range of proposals to support our public service broadcasters in response to challenges such as these. This includes a new online prominence regime, updates to the listed events regime and expanded powers for Ofcom to regulate larger, TV-like, on-demand providers. We will legislate to introduce these changes when time allows.

On top of these broad reforms, it is vital that we address the specific challenges facing the BBC's funding model. In this environment, a licence fee linked to watching live television seems increasingly anachronistic. Licence fee uptake is also in decline, with the number of households choosing to hold a television licence falling by around 1.2 million people from a peak of 26 million in 2017-18. If this trend continues, the BBC's licence fee income will come under increasingly significant pressure unless the licence fee is raised commensurately. The director-general and chairman of the BBC have acknowledged this, with the director-general recently saying that the BBC is open-minded about new funding mechanisms.

The Government agree with the view that has been raised today that the licence fee funding model is unfair. As noble Lords have noted, it is a regressive tax. The current licence fee model also involves enforcement by criminal sanction, which we see as disproportionate in a modern public service broadcasting system, particularly because of the strain, stress and anxiety that this can cause people. These concerns about fairness are highlighted by data that show that around three-quarters of people who are convicted for television licence evasion are women—an issue that has persisted for many years. In addition, we remain concerned about the risk of prosecution for vulnerable older people, although the BBC has confirmed that no enforcement action has been taken against people over the age 75, at this stage.

The future of the BBC is a vital issue for our nation and we remain committed to reviewing its funding model. The Secretary of State was clear in her recent appearance before the Digital, Culture, Media and Sport Select Committee in another place that the BBC is a great national institution, and that the Government need to make sure that its funding is sustainable over the long term. She also set out that she holds fairness and choice to be important issues, and that they will need to be reflected properly as we consider the future of the BBC's funding. The media landscape has changed, and the appetite for choice—an important factor—has been enhanced.

The Government want to work constructively with the BBC on the review. We see it as a positive opportunity for the corporation to bring about change, without which the BBC will be increasingly constrained in its ability to fulfil its purpose. We will need to work with the BBC to understand how different funding models could affect and support it.

It might be helpful for me to outline how the review fits into the Government's wider road map for reform of the BBC. The funding model review will be one part of the preparations for the charter review, which is the process whereby any decision on a new funding model, and on the role and remit of the BBC, will be determined. The funding model review will aim to provide the Government with the evidence to approach the charter review with a strong understanding of the options and their potential impacts.

With the support of these findings, the Government will carry out a formal consultation on any changes to the BBC's funding model as part of the next charter review. This will enable a public debate on the options, ahead of any decision being made. Any final decision on the BBC's funding model over the next charter period would be made only following this public and parliamentary engagement, as part of the charter review.

A number of noble Lords rightly paid tribute to the work of the BBC World Service. The Government strongly value its work in promoting our values globally through its independent and impartial broadcasting. We recognise the challenging fiscal environment in which the BBC is operating, and that it is having to make tough financial decisions, but the Foreign, Commonwealth and Development Office will continue to provide the BBC World Service with over £94 million annually for the next three years, supporting services in 12 languages and improving key services in Arabic, Russian and English. That is in addition to nearly £470 million that the Foreign, Commonwealth and Development Office has already provided, through the World2020 programme, since 2016. In the current financial year, the Government are also providing the BBC with an additional £4.1 million of emergency funding to support the World Service to continue to deliver services in Ukraine and Russia, which are vital in the current circumstances.

I will touch on the future of the BBC more broadly. Everyone who has spoken today agrees that the BBC has been informing, educating and entertaining us for 100 years, with remarkable effect. We want that to continue for many years to come. As the debate today has highlighted, the future success of the corporation is about much more than just funding. Your Lordships' committee's report contained a number of recommendations for the BBC on this theme too, including the need for it to develop a long-term vision for its role and how it will deliver value and distinctiveness in a continually changing world.

We agree with the BBC on the need for the corporation to reform over the coming years and recognise that there will be challenges as it makes this transition. These reforms will involve difficult decisions, as was demonstrated by the concerns raised again today about the BBC's plans to reduce its local radio output. The Government want to work with the BBC to support it in making this shift, but it must take audiences with it on this journey. We believe that the BBC needs to clarify how it will manage long-term decisions while modernising and becoming more sustainable, while also maintaining its core public service function and output.

The noble Baroness, Lady Rebuck, invited me to say a little about our progress on delivering nationwide gigabit connectivity, which is important to the way

that people increasingly consume television. We are investing £5 billion, as part of Project Gigabit, to ensure that hard-to-reach areas of the UK get fast, reliable broadband as swiftly as possible. Gigabit coverage is currently at 72% across the United Kingdom, up from 6% in January 2019—a huge shift in a short period. We have a target for a minimum of 85% gigabit-capable coverage by 2025 and we will seek to accelerate that to as close to 100% as quickly as possible. We have now awarded four Project Gigabit contracts, having recently announced a £108 million contract in Cumbria—the home of the noble Lord, Lord Liddle—and there are a further 11 live procurements running, with more in the pipeline.

Like everyone who has spoken today, the Government want the BBC to succeed. It provides high-quality services to the entire nation and globally. It acts as a key driver to the success of our creative economy and represents the United Kingdom very proudly abroad. As the debate has highlighted, there are challenges with the licence fee funding model, but alternative models also come with their own challenges and trade-offs. I am very grateful to noble Lords, particularly the members of your Lordships' committee, for their detailed thoughts and contributions to this vital debate. I look forward to that continuing.

11.59 am

Baroness Stowell of Beeston (Con): My Lords, I am very grateful to everybody who has spoken in the debate. I am also grateful for the constructive welcome that our committee's report has received. I echo the noble Baroness, Lady Merron, and thank my noble friend the Minister and his department for the swift response to our report. Perhaps through my colleague the Government Whip on the Front Bench I can also offer my thanks to the Government Chief Whip, who is not in her place, for scheduling this debate so swiftly. It is unusual for us to be able to have this time so soon after publication, and I am very grateful.

As I said at the start, examining how the BBC is funded is not, and should not be seen or received as, an attack on the BBC. I was pleased that most, if not all, recognised that some change is needed to the way the BBC is funded, even if that extends only to modification of the licence fee. As the noble Lord, Lord Hall, and my noble friend Lady Harding made clear in their powerful speeches, the issue is not whether the BBC should exist but what its role needs to be in the decades to come. We need clarity on that to inform decisions on how best to fund it.

I will make just a couple of other points. I was pleased that the noble Baronesses, Lady Bull and Lady Rebuck, emphasised the report's finding that the BBC should be a market shaper, not a market failure model. As our report said, and some of my colleagues have reinforced,

“the status quo is not an option.”

We need to see change from the BBC, but this presents challenges for the BBC.

The noble Baroness, Lady Merron, my noble friend Lord Vaizey, the noble Lords, Lord Hall and Lord Liddle, and some others raised concerns, which I certainly share, at recent announcements from the BBC about local

[BARONESS STOWELL OF BEESTON]

radio. To me, the announcements reinforce the need for that clear, strategic purpose, and how that is driving some of these big decisions, to be known and understood. Until or unless we get that, it is very hard for anybody to evaluate the decisions the BBC makes on its operations without being confident that it is doing so for the right reasons and towards a goal we all recognise and share. Overall, we recognise the value of the BBC today and in the past, but it will have to change to remain relevant in the future.

It was disappointing not to hear from my noble friend the Minister a date for the independent review of the licence fee. I am grateful to him for outlining the process that the Government intend to follow, but we really need to get on with this. As many noble Lords have said today, leaving final decisions until the charter review is leaving things quite late. There needs to be some real progress on this much sooner than that, and I get nervous if that is the time at which these things will happen.

This was a group of cross-party and non-party Peers working together to examine an issue that previously has always been considered to be something political, or anathema to raise without provoking some kind of perception of attack. I am pleased that we have been able to demonstrate the importance of doing so and that our report has received a constructive welcome in your Lordships' House today.

Motion agreed.

Public Services: Workforce (Public Services Committee Report)

Motion to Take Note

12.04 pm

Moved by Baroness Armstrong of Hill Top

That this House takes note of the Report from the Public Services Committee *Fit for the future? Rethinking the public services workforce* (1st Report, HL Paper 48).

Baroness Armstrong of Hill Top (Lab): My Lords, I welcome the opportunity to talk about this today. I hope I get through it without losing my voice, and I apologise to the House for having a cold.

This is the third report from the Public Services Committee and continues our previous work focused on making sure that public services across the board can be fit for the future. The public services workforce—teachers, nurses, social workers and others—is really facing a crisis. Demand for services is going up and the number of people available to deliver them is going down. This is an inescapable demographic fact, and it will get worse. People are overstretched, underpaid and unable to deliver what is asked of them. We received compelling evidence that those in our valued workforce really do not feel valued at all and are voting with their feet, leaving the jobs they have loved to work elsewhere. Staff who remain are expected to deliver more and more. This has a real effect on us

all—on the public. We can clearly see this in recent daily reports of crises in the health service: delays, waiting lists and patients in danger. This is not a new story.

Here are two examples, although the problem goes throughout the public sector. The NHS and social care have more than 100,000 vacancies, and the Government missed the recruitment target for teachers in STEM subjects by 46% this year. So the staff who are in post are not having a good time of it. We heard that staff across public services were suffering, exhausted and overstretched, facing unmanageable workloads. Many feel disempowered and unrecognised.

We heard far too many reports of bullying and discrimination towards women, people with disabilities and people from ethnic minorities working in the public services. We also heard from some of them who wanted to work in a public service, but the service was simply not able to adapt to employing them. In the report we call for much more flexibility in how services are organised and therefore delivered.

We know the workforce is in crisis, but it is not unsolvable. What is required is for the Government to really get a grip of the situation. Recruitment targets are all very well, but we need to see action to boost staff numbers and make sure that people stay in those jobs.

The Government's response to our report was not quite as quick as I was hearing in the previous debate, but we eventually got it and I thank the Government for that. Although the Government agreed with "all the Committee's recommendations", they did not indicate the step change we were arguing for in thinking about how the workforce for the future in the public sector is developed. The response set out activity in individual departments. While some actions may very well prove valuable—I hope they do—there seems to be little co-ordination between departments.

One potential place for a more cross-cutting set of actions that the Government's response did highlight was the employment Bill. The response stated that this was due in 2022. I suspect we are not going to see it in 2022, and I would be grateful if the Minister could give us an update on the progress of that Bill.

Our report includes an action plan, which sets out our priorities for securing the sustainability of the workforce. I cannot possibly speak to everything in our plan today, but I will focus on some key points. The first is prioritising preventive services to reduce demand and improve outcomes for the public, for patients in health, for children and young people in education, and so on. Another is taking more flexible approaches to recruiting, training and employing public services staff. We learned a lot about this during Covid and we should not forget some of those lessons. The other points are improving retention through addressing career progression and training issues and thinking more imaginatively about how staff can be empowered and deployed more effectively. I also stress that the response to this crisis needs to be strategic and across government.

Putting more time and more money into preventive services is essential. It means that we can nip problems in the bud before they become too large, complex and

entrenched. This not only will reduce demand for public services but is in many cases what public services staff actually want to do. I have seen examples around the country where local authorities have worked in a different way with their staff, giving them much more authority over tackling a problem rather than meeting a set of criteria. That has absolutely transformed their commitment and the outcomes for the public. We know that it also reduces distress and pressure on the people experiencing the service, as well as the people delivering it. Despite this, we see that preventive services are being cut. The Health Foundation reports that the public health grant, for example, has been cut by 24% on a real-terms per person basis since 2015-16, and that this has been greater in more deprived areas.

Of course, people have to want to come and work in the public sector. Perhaps the less we say on advertising and branding the better. We had an extraordinary evidence session, with people giving different examples of how they recruited in the public and private sectors. We heard that in the public sector it was “unappealing” and “stale”, and that job applications could take up to six months. It took people a long time to complete the application forms. There are other ways of doing this and the public sector has to get up to speed. These are easy fixes, but on which no commitments have been made.

Fundamentally, though, we have to offer more: more flexibility, more opportunities, and a better work/life balance. We also have to make sure that we are not closing ourselves off to talented candidates who cannot afford the training. Multiyear degree requirements, which land people thousands of pounds in debt, are no longer sustainable for our key workers. This is often a hard message for the professional organisations but it is one that must be given.

Our best way round this—apprenticeships—is underutilised in the public services. Apprentices make up an average of only 1.7% of staff in large public sector employers. Although there has been some welcome progress, the Government have not reinstated the apprenticeship target, asked employers about difficulties in hiring them, or begun to sort out the funding for them in a sustainable way.

We were struck by local examples of how to address these problems. Camden Council actively targets people who volunteered during the pandemic—people who worked in food banks, for example, and volunteers in libraries and other public services. It developed a talent pool, signposts people to roles, offers appropriate courses for them to do basic training and helps them with their CVs to make sure that the workforce of tomorrow is more reflective of its local community, resilient, and representative. We called for significant investment and leadership to replicate this elsewhere, but the Government’s response made no commitments on this.

Alongside recruiting new workers, we need to make sure that we keep the excellent people we already have in the public service workforce. This is not currently the reality. There are many reasons for poor retention in public services, but we also know that pay is a perennial issue. As the country faces a cost of living crisis, the Government need to accept the simple reality

that if public services workers cannot afford to feed their families or keep their homes warm, they will leave. The current swathe of strikes has affected this debate. Several of my committee members are unable to be here as they needed to get back to where they come from. The train strike prevented them speaking today, so this is the appropriate time to give their apologies.

The Trussell Trust recently reported that nurses and teaching assistants now rely on food banks to stay afloat, and during our inquiry we heard that care workers were moving to work for supermarkets, Amazon or whatever to get better pay. As I said, the ongoing strikes demonstrate that this is a serious issue.

However, this is not just about pay. We heard about struggles to develop careers in public services. Health Education England told us that staff too often feel like “rota fodder”, rather than a future resource to be nurtured.”

In a jobs market where people increasingly move around to get different experience and develop “portfolio careers”, we need to make sure that public service employers are supporting staff to grow and develop, instead of the situation where training is not funded or prioritised in services.

One area where this was particularly stark was social care. We heard that care staff in particular struggled to get their skills and experience recognised. The Government are in the process of developing a “knowledge and skills framework” to address this. I hope the Minister can provide an update on how that is progressing.

Alongside efforts to boost recruitment and retention, to address the crisis in the public services workforce we need creative and innovative thinking about how services can be delivered and staff deployed. During the pandemic, Wigan council gave its workers the opportunity to do some work on the front line. That transformed their idea about what the job was about, what they could do and how they could do it. It boosted the retention and involvement of workers. I know that some NHS trusts are supporting staff to develop skills through secondments and so on. We need to take the long view that that sort of work will help staff stay in public services, rather than just the specific job they were recruited for.

We also heard all sorts of examples of the untapped potential of public services staff needing to be used. We met a physician associate. They have to have a degree and then do three years of training, but they are still not allowed to do things such as prescribing, if they work in a GP practice. They are not allowed to do a whole round of things, nor are they allowed to transfer to be a doctor; they would have to start again. This is nonsense. The Government need to take on the restrictive practices of professional bodies and, with regulators, help change that sort of thing.

There were other things I wanted to say, but my voice is going and my time is up. I thank everyone who gave evidence and all the members of the committee. I thank the staff of the committee for their work on the inquiry: Tom Burke, Claire Coast-Smith, Sam Kenny, Daphné Leprince-Ringuet, Aimal Fatima Nadeem and Tristan Stubbs. They all worked really hard, with the team changing over in the middle. We thank them all.

12.20 pm

Lord Kamall (Con): I begin by congratulating the noble Baroness, Lady Armstrong, not only on getting through those 15 minutes with a cold but on the report. I also congratulate and thank the members of the committee, as well as the staff who the noble Baroness mentioned.

One of my passions is local civil society. I first became interested in this area as a PhD student, when I read a book by David Green, a former Labour councillor, called *Reinventing Civil Society: The Rediscovery of Welfare Without Politics*. He wrote about the country's rich history of civil society organisations, such as mutuals, friendly societies and trade unions, which used to provide adult education, insurance, medical and other services; what we would today call public services. Since then, I have taken a real interest in local civil society, an interest shared by noble Baroness, Lady Armstrong, and the noble Lord, Lord Collins.

I approach the report and this debate based on my experiences. First, when working as academic and research director at an economic think tank, it was clear to me that we needed to think about demographic changes and their impact on public services. I should refer noble Lords to my register of interests. Secondly, this is based on my recent experience of being a Health Minister, however briefly, faced with the current and future challenges of our system of health and social care. I am grateful to many noble Lords across the House for conversations and advice on addressing these challenges during my time at the Department of Health and Social Care, particularly the noble Baroness, Lady Pitkeathley, who I see here and who helped me many times. Thirdly, when I was a Member of the European Parliament for London, I was inspired by and helped to publicise local community and neighbourhood civil society projects across London. They addressed many of the issues found in local communities; for example, training NEETs or using sport to help teach children who had been excluded from school due to behaviour problems. There were local charities helping the homeless, including a fantastic project helping former drug dealers to turn their entrepreneurial skills to becoming sandwich dealers—I will not say what was in the sandwiches—projects working with ex-offenders, anti-radicalisation projects and many more. When in October the current Prime Minister decided that my services as Minister for Civil Society, my dream job, were no longer required, I was able to return to my passion projects. One of these is to help local community champions set up neighbourhood non-state civil society projects.

Having read the report, I found myself agreeing with a number of its recommendations, but today I will focus on two or three. During my time at the Department of Health and Social Care, it was obvious that we have so much more to learn about health and well-being and so much research to do. One example is our increased awareness and understanding of mental health conditions—I look to the noble Lord, Lord Davies, who often raised this issue—compared to even 30 years ago, when the response used to be something like, “Stiff upper lip!” or “Pull yourself together.” Think about PTSD, which was recognised only in the 1980s. Looking back, we realise that shell shock from

the First World War was a form of PTSD. I remember preparing for a debate on neurological conditions. When I rather naively asked my officials to send me a list of all the neurological conditions they knew of, I received the answer, “But Minister, there are more than 600”—600 conditions, many of which will require more research to understand and more resources to address.

While people are living for longer physically, they are not always living in good mental health for as long, so demand for these services, as well as existing services, is increasing. As the report says, our ageing population means that

“The proportion of the population with multiple and complex needs will rise further, even as the labour market available will be smaller.”

In simple terms, the number of people paying into the Government's piggy bank will get smaller, as the number of people receiving public services paid out of it increases.

As the noble Baroness alluded to, contributors to the report argued that

“long-term thinking must consider different ways to boost workforce numbers, such as UK training routes and immigration”,

efficiency, data, and flexible and creative deployment of staff. The report argues that we need all of these, but advances in technology and flexibility alone will not solve the skills gap. We will need some immigration.

After the war, when the UK faced a workforce shortage, it was immigrants from mainly Commonwealth countries who saved our public services. Take my own family. My father came here to work on the railways and as a bus driver; his brother came to work as a postman; his sister as a nurse. We will need more immigration, especially from those countries that train more people than they have jobs for domestically and that see receiving overseas remittances as far more effective than receiving foreign aid. I hope we can change the debate on immigration from one of numbers to one of filling the skills gaps and vacancies.

The third important point that stood out was the recognition that public services do not always mean state-provided services. On more than one occasion, the noble Baroness, Lady Armstrong, has reminded the House that the state cannot do it all. It has to work with civil society and the private sector. The report rightly recognises that

“The voluntary sector can add immense value to public service delivery”.

I have seen and worked with a number of projects. I think of a local mosque offering IT training to its congregation; the local council partnered with it to offer wider, more cost-effective delivery for the council and a bit of income for the local charity—a win-win situation. But while this is a win-win situation, we have to be careful and not expect all charities to become social enterprises and support public services. I have also seen projects fail when they have turned their attention to government contracts as opposed to growing organically and helping local people. I remember an owner of a gym who said that the people who worked there did not need qualifications but social skills. They needed to turn up on time, smile, be clean and learn not to say, “Computer says no.” He said that

that was what he had to do. Sadly, this is one of those projects that expanded too quickly and failed, in anticipation of government contracts. While we should encourage social enterprises to bid for public contracts, they still face a number of barriers, as the report rightly says. It says that we need

“a fundamental shift in how the public sector works with voluntary partners”

and the private sector.

There are many other points which I could address, but I will leave that to other noble Lords. It is an excellent report. I cannot cover all the points, but I will end with a question for my noble friend the Minister. Can she tell noble Lords what the Government are doing across departments to include civil society, and indeed private sector partners, in better delivering public services so that we all gain?

12.27 pm

Baroness Pitkeathley (Lab): My Lords, it is a pleasure to follow the noble Lord, Lord Kamall, whose speech reminds us that his tenure as Minister for Civil Society was all too short. It has been a privilege to serve on the Public Services Committee, so wisely and ably chaired by my noble friend Lady Armstrong. I know, as she said, that many more Members would have liked to speak in this debate, had the timing been more propitious.

Our report on the workforce was very much on my mind this week when I had a hospital procedure. It was carried out with the efficiency, care and commitment that we rightly expect and get from the NHS, but I was struck by the air of disillusionment among the staff—the weariness and the acceptance that, as one member of staff said, “It’s never going to change, is it? We’re always going to be ignored.” Their department is constantly short of staff, with staff constantly covering for each other and running to catch up. Most of all, you can sense the despair of staff who feel they are falling short and not meeting patients’ needs in the way they would like. I emphasise that this was not the case, as the service was in fact efficient and caring, but I worried about the price being paid by those who deliver it. The conclusions of our report were emphasised again for me this week as a patient: services in crisis, serious staff shortages and very low morale.

We were frustrated in our inquiry by the lack of willingness to take this workforce crisis sufficiently seriously, as though it were a blip, caused perhaps by the pandemic or Brexit, which would somehow get better of itself with time. Yet of course the inescapable fact is that demand for services will rise faster than the working-age population, as will the number of people with complex and multiple needs. Staff numbers cannot presently keep up with demands and the problem is only going to get worse.

In spite of the crisis we are facing, however, our report is not all gloom and doom. The problems are solvable if we tackle them robustly, making a substantial difference and securing a more sustainable workforce for the future, but we are required to be imaginative and innovative.

Why do people work in public service? It is certainly not for the money, nor usually for the status or recognition. What you get in public service is the satisfaction, even

the reward, of knowing that you are somehow contributing to the betterment of society, whether as an individual, a group or an institution. Take away that satisfaction and you might ask yourself: why do it? You can earn more stacking shelves in the supermarket.

We have relied for too long on the good will of employees—to stay on at the end of a shift, for example, or cover for a sick colleague. We must harness that good will by empowering the workforce and ensuring that services meet the needs of the consumers, not the ideas of the planners. We have powerful examples from users of services of the need for training to highlight the importance of so-called co-production—that is, designing services with the help of those who will use them—and how it can save money as well as more effectively meet the needs of users.

It is clear that such co-production also brings job satisfaction and starts to tackle low morale. In turn, this leads to greater retention of staff and is a more attractive offer when we look at how public service staff are recruited. As my noble friend has reminded us, however, and as many of our witnesses told us, recruitment takes too long, is too inflexible and has a dated format.

Skills in the public sector are precious but not always as readily recognised as they should be. I have lost track of the number of former carers who have told me that they were unsuccessful in applying for public service jobs. All the skills they acquired as unpaid carers—which are a lot, and include not just practical but administrative skills—were dismissed as irrelevant because they did not conform to a rigid job description or person specification.

It is important to note that what we need to tackle our workforce crisis—I emphasise that it is a crisis—is a strategy embraced by all government departments which takes account of the different needs of all parts of our workforce and emphasises flexibility. As an example, we wish to give all employees status, training opportunities and recognition, but what you give a doctor who needs seven years’ training and a guarantee of employment at the end is quite different from what you give a care worker.

The carer workforce has a 40% turnover every year. What good is registration to them? You have to compete with the competition, which, in this case, is Sainsbury’s and Lidl, and give job satisfaction, which is the only discriminating difference in choosing one occupation over another. “Training to retain” is a memorable phrase but training must encompass development opportunities and the ability to move between one service and another. I first heard the idea of a workforce that could move freely between health and social care some 40 years ago. How much progress has been made? Very little, because it requires a cultural shift in leadership, which has always been the hardest nut to crack.

Our report emphasises—as much of the work of this committee has always done—the importance of preventive services. As my noble friend has reminded us, these can effectively reduce the need for service input and thus the strain on the workforce. I hope the

[BARONESS PITKEATHLEY]

Minister can give the House an assurance that the Government are committed to supporting preventive work.

Avoiding the workforce crisis is no longer an option. It was gratifying and a tribute to my noble friend and the excellent staff who supported us that the Government agreed eventually—I repeat, eventually—with all our recommendations. Investment in apprenticeships and improving the recruitment, retention, progression and well-being of staff in adult social care is a start, but we should be under no illusion: there is a long way to go. I hope the Minister can give us an assurance that, as well as accepting all our recommendations, the Government are committed to implementing them.

12.34 pm

Baroness Brinton (LD) [V]: My Lords, I declare my interest as a vice-president of the Local Government Association. It is always a pleasure to follow the noble Baroness, Lady Pitkeathley, and I too will be focusing on skills and education in workforce planning. I congratulate the noble Baroness, Lady Armstrong of Hill Top, and the Public Services Committee for the excellent report we are debating today.

Given that we are living in a perma-crisis, thinking about the long term appears to be a luxury, but this report demonstrates that not thinking strategically and long term adds to the crisis we face as a country in planning and managing the public sector workforce, at the same time as we face major demographic changes that will mean that public services have to change. As the health and social care spokeswoman for the Lib Dems over the past three years and, indeed, for a year in 2013-4, it feels to me as though the current NHS workforce crisis has been growing, first slowly, and now rapidly, over recent decades, long before Covid-19 arrived in early 2020. There are not enough doctors, not enough nurses, not enough GPs or pharmacists, and Government after Government have said that they would increase numbers but have increasingly relied on qualified professionals from abroad, because those same Governments—of all colours—would not invest in training, education and workforce planning for these key roles.

So this report rightly resists the short term, because thinking about only the current crisis and not understanding how the lack of planning has significantly worsened the current position remains a problem. Having effective long-term and medium-term workforce planning that links all elements of the pipeline—from schools, through to apprenticeships and further and higher education—and understanding how changes in delivering services must necessarily affect planning for the workforce on a rolling cycle, is a key benefit.

One such issue, mentioned briefly by the noble Baroness, Lady Armstrong, is the training of the teaching workforce, especially in STEM subjects. Every conclusion and recommendation in the report could have been written about this issue alone. Over the past decade, the overall number of qualified teachers in state-funded schools has not kept pace with increasing pupil numbers. In particular, there is a problem with attracting enough trainee teachers to start in the secondary sector, and it is growing fast. Worse, there are not and

have not been enough trainees coming forward to teach STEM subjects, especially physics. This was a problem 15 years ago, and too frequently results in stoical teachers who are not qualified in maths and physics having to step up to the role.

This is a real problem. The report points out the growth of technology in the delivery of public services and asks that workforce planning and service delivery ensure that new ways of working are prepared for carefully. But the problem is already evident in our schools system, and local authorities no longer have the role they had when I was chair of education and libraries in Cambridgeshire in the 1990s, when we were able to work with our local authority schools and parents to encourage and support STEM teachers and STEM subjects. That was especially important in Cambridge as it became a technology city. All that is now fragmented.

We need to change our secondary education system to ensure that all pupils and students continue with maths and science subjects until they leave school. Your Lordships' House has had many debates on this subject. However, that aspiration remains unhelpful if there are not enough teachers to teach those subjects. Under our current public service delivery structures, who thinks about the pipeline for teacher training, let alone ensuring that in the UK in the mid-21st century, trainees in the public services arrive from their schools, universities and apprenticeships with the breadth of education they need for a technological future in which the skills of language and communication will also remain paramount? I am not sure that it is evident, certainly not when funding for public services is so stretched. Will the Minister say not just how the Government will help achieve the aspirations of this report, but how they will ensure that the all the stakeholders in the pipeline are involved and understand that they have a key role in making it happen?

I also commend the report for recommending the involvement of service users with lived experience, as well as the need to involve voluntary sector bodies and urging a more flexible process. The Minister knows that your Lordships' House has discussed the voluntary sector and social enterprises a great deal recently in the Procurement Bill, but the report goes a step further and asks for a key shift in how the public sector works with the voluntary sector. On these Benches, we have always strongly advocated for vocational and professional education, and I echo the report's concerns about the Government's removal of the apprenticeship target, and that in seeking to search for and combat these challenges they are doing the opposite.

As the founding chair of the Cambridgeshire Learning and Skills Council in 1998, I particularly welcome paragraph 29 in the summary of conclusions, which says:

“To boost retention and support staff to progress into more senior roles, the Government should work with regulators to develop straightforward and practicable ways to recognise, assess, and record prior learning and experience using a competency approach.”

That, along with creative thinking outside some of the rigid qualification tramlines of the past, is beginning to change progression for those in care and nursing, but the noble Baroness, Lady Pitkeathley, is right that there is a long way to go.

Thirty years ago, we still had a barrier between state enrolled nurses and state registered nurses. The former would now be referred to as care nurses, usually identified solely by entry qualification, while SRNs were those who continued the more academic education with a higher qualification. The barrier between them was insurmountable but, thankfully, that is changing. Now the pathways from apprenticeships into care can lead not just to being a registered nurse but beyond degree level to nurse practitioners working in specialised areas and able to prescribe medication—unimagined 15 years ago. While admirable, though, that will not work without effective workforce planning. As the report says, demographic changes and the differing treatments that patients receive compared to even five years ago mean that awareness is important and recruitment into health pathways and on into work must be planned years ahead.

To conclude, we know there is some good progress in some areas, but overall the real problem persists. Until national and local government can create the capacity to think strategically and long-term to implement the recommendations, they will remain aspirations. I hope the Government will be able to confirm that they can deliver the framework for that step change.

12.42 pm

Lord Hogan-Howe (CB): My Lords, I thank the noble Baroness, Lady Armstrong, for her chairing of our committee, her patience and her common sense in building our at times passionate arguments into an excellent report that we all supported. I thank her. I declare my interest as stated in the register.

The report highlights the significant challenge faced by any Government in planning the human resource needs of our public services, particularly at the moment. We have an ageing population and are still suffering the consequences of Covid, the Ukraine war, energy price rises and the constant inflationary pressure on our economy, particularly wage inflation—all this, ironically, at a time of high employment.

The report argues that, first, we must therefore act imaginatively about how public services are deployed and that, secondly, traditional routes into public service are limiting and that action needs to be taken to make them more accessible. I shall concentrate on those two points particularly in relation to the police service—of which I have some experience—where they occur not quite in the same context as in some of the other public services that we have talked about, for reasons that I hope I will be able to explain if I have time, such as health and social services.

The police service has been challenged about its ability to adapt to society and, frankly, some appalling behaviour by a number of officers, particularly in the Metropolitan Police. I would argue that the causes of the present cultural challenges are to some extent structural, and radical reforms will be needed to produce significant change. I hope to make suggestions as well as identifying problems.

The police remains a male-dominated culture, with two-thirds of them men and one-third women, though half of the recruits now are female, who consistently perform better than men in the recruit selection process.

The challenge is that the police, contrary to the rest of the public services, has a very low turnover. A healthy turnover in any organisation is accepted as being between 8% and 12%. That allows new talent to join and the people who are unsuitable to leave. In the police service the turnover is around 5%, and even in London it is only around 6%. In my view, that is too low, trapping people who are unsuitable but too comfortable with the terms and conditions or, as Commissioner Sir Mark Rowley has argued, who cannot be removed by the organisation because of the independent chairing of misconduct panels and other protections that apply.

I propose three major changes that could make a real difference. The first comes under the category of “boring but true”. Police pensions need to become more flexible to be transferable. At the moment, officers pay around 15% of their salary for a good scheme. However, they get the best benefits by remaining in service. The system does certainly not encourage them to leave, even when they are unsuitable, because they cannot take the pension with them and maintain their benefits in other pension funds.

The second is that the time has come to seriously consider whether the office of constable would be better protected as an employee. The office of constable is there to provide two broad protections. First, politicians and senior police officers cannot direct a constable how to use their discretionary powers to arrest and detain, although they can of course be held to account in the courts. Secondly, it is intended to provide a protection against malicious allegations by criminals under investigation. Therefore, the terms and conditions, including misconduct rules, are found in secondary legislation—police regulations. This means an officer can be represented legally at a misconduct hearing which is chaired by a legally qualified person, because in theory they have no access to an employment tribunal. However, should they allege that the misconduct process involves illegal discrimination, they can access an employment tribunal—essentially having two bites of the cherry—and many do.

The office of constable also means that it is impossible for an officer to easily become a police staff member or vice versa. This is particularly inflexible should an officer be physically unable to carry out their role as a constable, for which the principal remedy is a medical pension, when they could easily have transferred to become a police staff member should they have the appropriate skills. I ask the Government to consider the New Zealand model, which protects the office of constable in a contract of employment. I see no evidence that New Zealand’s police are being directed by politicians. It also happens to be a national police force, not 43 forces—but that is probably for another day.

My third point is about the routes of entry into the service, which could be improved. The service is properly proud that every officer, including myself, served on the streets before becoming a chief or commissioner. However, I believe that a diversity of recruitment routes for constables and senior officers produces more diversity of ideas and better representation. The turnover of 5%, followed by 20 to 25 years to reach the highest rank, does not assist that in any way.

[LORD HOGAN-HOWE]

During my period as commissioner, we introduced Police Now, which mimicked Teach First. Hundreds of graduates who had not initially thought about becoming a police officer were employed for two years with 85% remaining after those two years. We introduced direct entry for detectives, where people who had never been an officer were recruited only to be a detective, and accelerated promotions for graduates which led to them usually becoming a chief inspector within five years. Those three schemes continue today.

We also introduced direct entry for superintendents. Hospital chief executives, merchant bankers, military officers and directors of counterterrorism for the Home Office were recruited to lead and, after two years of training and mentoring, were given full leadership responsibilities. We had direct entry for inspectors who, within two years of training, were given that role. We also changed the recruitment rules so that people who had lived in London for three of the last six years got priority, as well as those who spoke one of 19 languages which were prevalent in the communities of London. These latter three ideas were abandoned by a service that truly never wanted or believed in them.

My final point is on one thing that we have to guard against with surges in recruitment. The police service lost 20,000 officers as an inevitable consequence of public service cuts. There was then a surge in recruitment, which has led to that 20,000 being pushed back in. About 50,000 will probably be pushed back in within five years. Inevitably, the vetting will be poor. There will be a push against recruiting standards. Numbers will be delivered, but I worry about the standards. We will see the consequences of that over the next 10 years. It is difficult to remedy a gap of 20,000 without rapidly recruiting, but it is an obvious danger we all suffer from.

I not only support the measures I have mentioned, but I support the Home Office strategy on accrediting police training to university standard. This is not saying that all officers who join should be graduates, although half of them are. It means that their training is accredited to an independent standard and that they can use those skills in other employment, should it be accredited to that level. Unless we think more radically and broadly about police training and selection, sadly we will inevitably see some of the challenges of the past in the future.

12.49 pm

Lord Davies of Brixton (Lab): My Lords, I welcome the report and the introduction to it by my noble friend Lady Armstrong of Hill Top. It is wide-ranging and authoritative, and issues have been raised clearly by earlier speakers. It will be no great surprise that I shall focus on recommendation 18, which is about pensions. It calls for

“a comprehensive review of how pensions operate across the public services workforce.”

The wording implies “comprehensive” in the sense that it will look at flexibility and changing jobs within and outside the public service, and how pensions interact with the need to achieve an adequate and effective workforce.

I want to choose my words carefully in saying—I hope, helpfully—that this is not necessarily the strongest part of the report. It appears to be based on misconceptions raised in evidence sessions. In this respect, the Government’s response to the report has been most helpful—that is not something I say very often. Nevertheless, questions remain. One is about the plan for consolidating smaller schemes, which has been on hold—it would be useful if the Minister could say a bit about that—and, in particular, whether this process is to be undertaken in negotiation with the relevant trade unions and whether members’ benefit expectations are protected.

The main question is whether the Government can say explicitly that a comprehensive review of public service pensions as a whole is not required, at least until the agreement freely entered into by the Government following the Hutton review, which took place only just over 10 years ago, has expired. Public service pensions are controversial, but we do have a deal and the deal was promised for a generation. It would be useful if the Government could make it plain that they do not have any plans to look again at public service pensions. I shall come on to explain why they are so important in the context of maintaining an effective workforce in the public service. I would be content with a “the Government have no plans” formulation; it would just be useful to hear it in those words.

The report refers to public service pensions as being “attractive”—I prefer “attractive” to “generous”, which is often used in the context of public service pensions. The word “generous” is quite wrong. It implies a motive on the part of the employer that I have never come across in the negotiations in which I have been involved. It is part and parcel of the terms and conditions of employment. It is part of a deal and part of the contract of employment: you provide the work, and you get the benefits of employment—generosity has no part in that process. In the public service, we have good pensions—I prefer “adequate”—but that does not make them generous. Truly, the sort of pension which public service workers receive is what all workers should be able to look forward to. There is a clear objective of levelling up; we do not want to see public service pensions dragged down to the level which is still all too prevalent in the private sector, where it is generally agreed that automatic enrolment contributions are inadequate and need to be increased.

The cost of a pension has two elements: the cost to the employee within the employment package—they provide a service and get a package of benefits—and the benefit to the employer of having a pension scheme. Therefore, a good pension scheme serves the interests of not just the employee but the employer. Employers, including those in the public services, need to recruit and retain staff, and an attractive pension scheme is clearly a big element in achieving that. The noble Lord, Lord Hogan-Howe, referred to making changes to the scheme to encourage people to leave a particular employment, but that is not why employers provide pension schemes: they provide them to keep people in.

It used to be the case that people who left their pension schemes lost all, or virtually all, of the value of their benefits. It was only after the introduction of

legislation, which changed the rules, that people who leave employment now get a decent deal from their pension. It used to be the situation that, when you left employment, you got a worse deal than if you stayed; and, if you stayed in public service pension schemes, your pay increased in line with your earnings. However, that changed following the Hutton review, and pay now increases because of the average salary-type scheme, which is in line with prices. In fact, because prices are going up faster than wages in the public sector, people are actually better off with the prices revaluation. That issue needs to be looked at, and I would welcome hearing the Government indicate that they are prepared to have those discussions, rather than producing a fundamental and comprehensive review of all public service pensions.

12.56 pm

Lord Shinkwin (Con): My Lords, I join others in congratulating the noble Baroness, Lady Armstrong of Hill Top, and her Select Committee on producing the report. Its carefully considered, cross-party conclusions and recommendations surely highlight both the added value which your Lordships' House brings to the UK's legislative process and how much would be lost by its abolition.

Time does not allow me to address all 16 recommendations, so I shall focus on seven of them from the perspective of a person with lived experience of disability, as a service user, and as the chair of two commissions—first, the excellent Centre for Social Justice's disability commission, which reported in 2021, and, more recently, the Institute of Directors' commission on harnessing diverse talent for success—which recently produced separate but complementary business and policy white papers, both of which are available in the Library.

My noble friend the Minister may not have seen the white papers—I would be delighted to share them with her—but I hope that she would agree with the thrust of our conclusions, perhaps even with all our recommendations, which echo many of the points we are discussing today. Clearly, a powerful precedent has been set in the Government's positive response to the report—but I must not get carried away. Perhaps the director-general of the IoD, Jonathan Geldart, who chose me deliberately as a person with lived experience as the IoD's disability commission's chair, had a premonition of what was in the report. The noble Baroness, Lady Armstrong, thanked the clerks of the Select Committee and her advisers for their help; I know that I was no less reliant on the IoD's excellent senior policy adviser, Alexandra Hall-Chen.

I welcome this report's focus on workforce data. This is not woke—this is pure common sense. Data underpins organisational success, whether in the public, private or voluntary sector. I urge the Government to facilitate transparent and consistent workforce data through mandatory reporting. Tom Pursglove, the new Minister for Disabled People in the other place, has recently launched an outline disability action plan. What gets measured gets done, so data will be essential to measurable, credible progress towards equality of opportunity.

I also welcome the report's emphasis on the importance of engaging with service users and people with lived experience so that—and I hope the noble Baroness, Lady Armstrong of Hill Top, will forgive me for paraphrasing—an appreciation of such an invaluable resource is embedded within the culture of both service development and delivery. Crucially, as the report rightly makes clear, engagement must be meaningful.

I suspect that my noble friend the Minister, as a former business leader herself, completely gets this. That is also why I imagine she will understand at least the thinking behind the report's recommendations on partnership with service users and on putting that into practice through the delivery of training and the co-production of strategies—for example, those relating to children's and family services. I would go one step further. If Tom Pursglove wants to ensure that the disability action plan does not simply become another version of the widely derided National Disability Strategy, he could make a commitment to co-production with disabled people. That would be a very powerful message of equality and respect to send to disabled people, who too often are, sadly, shown neither by the DWP.

I conclude by welcoming the report's final recommendation on the importance of gathering, promoting and cascading best practice on the development of leadership pipelines. Your Lordships' House has played a pivotal role in securing anti-discrimination legislation, but disabled people and disabled young people who have benefited—for example, by going through mainstream education—now need to be able to excel so that they can realise their potential and on merit reach the top. The Government have a crucial role in facilitating this.

I thank the Public Services Committee for producing the report, and I look forward to my noble friend the Minister's response.

1.03 pm

Lord Liddle (Lab): My Lords, I add my congratulations to the noble Baroness, Lady Armstrong, on this excellent report—indeed, on a series of reports that have added a lot to my knowledge of the challenges facing public services. It was an excellent idea of whoever decides these things in this place to set up a Public Services Committee, and I think that it has proved its value. I have learned a lot.

I have a few remarks to make, which may be politically sharp but which are none the less deserved. First, we will never solve the problem of the public sector workforce if the Government continue to take the view that they intend to use holding down public sector pay as a battering ram for bringing down inflation. If that is the approach, it will result in a disaster for public services. It is not just a matter of what happens this winter—it is going to be a long-term challenge to get inflation down, but we cannot do it by basically sacrificing public services. At the moment, private sector pay is going up by around 6% while public sector pay is at 2% to 3%: that is not sustainable. The Government must know that; we are losing people from the public services to the private sector, and something must be done about it.

[LORD LIDDLE]

My second point is that the Government must recognise the need for investment if we are going to save money. The willingness to put money into public services that would in fact save money is absolutely vital. The most obvious case of this is social care reform where, clearly, a lot of the problems of the NHS would be a lot less if we had a properly functioning social care system, and we are not going to have that unless we have a comprehensive reform of pay and conditions and how the whole thing is managed.

A similar example of investor-save is in the hugely escalating costs of children in care. I know this as a Cumbria county councillor—I apologise; I should have already declared that interest. The hugely escalating costs of children in care are a real problem. Josh MacAlister's review points to a way of tackling this. It was debated in the House last week but, unfortunately, I could not be present. It is, again, an example of where you have to put some money up front if you are going to save money in the long run.

Thirdly, we need active labour market policies for the public sector. We are in a situation where workforce participation is in fact declining. This is a very serious situation for the country, and we need a strategy to get it up again. I was talking to some Swedes yesterday at a seminar. The Swedish model has always put high employee participation as a top priority. If you get high employee participation, you get the tax revenues that enable you to improve public services. So we really need a strategy for filling all these jobs—getting older workers, perhaps on a part-time basis, back into services. We need a comprehensive strategy.

My final point is that we must have radical reform. We have to be prepared to upset people—like the professional institutes. If we are going to have an expansion of the apprentice route in public services, that will upset a lot of people who think that only graduates can do the job. We have to be prepared to be tough on that. The old new Labour mantra of “investment and reform” is what public services need today more than anything else, and I would like to know what plans the Government have for both investment and reform.

1.08 pm

Lord Wallace of Saltaire (LD): My Lords, I thoroughly enjoyed reading this report and I hope that the Government are taking it seriously. It describes both the workforce crisis in our public services and the demographic crisis; they are clearly interconnected.

However, there are other things about which we should be concerned. I am certainly concerned by those elements within the Conservative Party—which one has to call the “Republican right” of the Conservative Party—who denigrate public service as such and want to privatise as much as they possibly can and shrink the state. I see that Conservative Way Forward, formerly chaired by Steve Baker and now chaired by Greg Smith, has just published a new pamphlet that says that if only all the diversity and equality aspects of public services were cut, it would save a huge amount of money and there would be room for more tax cuts.

As the report makes quite clear, at paragraph 27,

“Changes in the needs of the UK population will mean long-term growth in demand for public services”.

Since the core Conservative vote is the elderly, it seems contradictory for the Conservative Party to support cuts in public services which benefit people of my age above all, rather than people of my children's, let alone my grandchildren's, age.

We need a change in the attitude of the Government and their supporters to public services. I know that this does not apply to the Minister, who has worked in public services and entirely understands their value. However, the sorts of right-wing think tanks which denigrate—for example—teachers for being entirely left-wing and indoctrinating their students, according to the *Sunday Telegraph*, demoralise public servants. Teachers, nurses, doctors and probation officers need to feel that they are valued. They also need to be paid well. The reduction in their real pay has highlighted the issue of how much they are paid. This applies not only to teachers and nurses, but to university teachers. Last week, I had a conversation with my son, who runs a 12-person biology laboratory at Edinburgh University. He has been approached by commercial companies that have offered him over twice the salary he gets as a senior university researcher. If that gap grows, the quality of our universities—one of the things that makes this country stand high in the world—will begin to decline. Pay is a matter all the way across public services, and so is pressure.

Pressure comes in partly because cuts to some aspects of public services affect others. The splendid head teacher who taught my children mathematics as a junior teacher told me some time ago that, in the leafy part of Oxfordshire where she has her school, the disappearance of children's officers, truancy officers and other social services means that her teachers have to take on extra roles in their students' catchment area. That is part of the pressure that makes teachers feel underpaid and undervalued. We need an overall change in the attitude of the Government.

We also need much stronger emphasis on local provision of public services, because far too much has been centralised. The budgets of local councils have been cut and we all know that personal social services are best provided, and recruited, at local level.

Beyond that, we also know that education is important. In Saltaire, we have a further education college that does its best with remarkably little funding and low pay. Apprenticeships in Bradford are underrecruited and underpromoted. One or two superb schemes attract huge numbers of applicants, but apprenticeships have not been fully exploited and I support everything said about all that. Further education colleges have to be part of the way in which people are encouraged to move into public services.

I also flag that, as we move towards an older society, with a retirement age closer to 70 than 65, and people often working for 40 to 45 years of their lives—as I have—the question of moving from one career to another or retraining becomes all the more vital. It was interesting to hear from the noble Lord, Lord Hogan-Howe, about how the police force has adapted to that and is taking on people all the way through. I joked to my son-in-law that, when his bank finally sacks him, he will be a splendid physics teacher, as he has all the skills. The excellent new charity Now

Teach has begun to catch people in their mid-40s and early 50s who will become very good teachers as second careers. That sort of thing needs to be stressed and encouraged at a national and even more at a local level.

Childcare facilities are very important. We all know that the proportion of women in the public service workforce has been rising. Again, the noble Lord, Lord Hogan-Howe, remarked on that in the police. If there are not decent, affordable childcare facilities then women cannot work when they have small children. That is another part of the package that needs to be supplied.

The role of the non-profit sector is extremely important. I did not entirely recognise the portrayal of the Procurement Bill in the Government's response, which attempted to suggest that that Bill emphasises and values partnerships in procurement with the voluntary and social enterprise sectors. I must have missed that somehow in our consideration of the Bill. Non-profits are important, but I suspect that—as my generation, which has benefited enormously from good pensions, disappears, and those who follow me will not have such good pensions—it will be harder to find the voluntary workers in their 60s and early 70s who now sustain so many of our voluntary activities.

There are many things to learn from the report. I welcome it. I hope that those in the Government who are real Conservatives rather than libertarian right-wingers will take it seriously, and that both they and the successor Government who we all hope we will have after the next election will begin to take many of these lessons on board.

1.16 pm

Lord Collins of Highbury (Lab): My Lords, I too thank the committee for its excellent report. It and its recommendations show the value of cross-party working. I also thank my noble friend Lady Armstrong for her excellent introduction, despite her suffering from a cold. She made all the key arguments extremely well and I am grateful for that introduction.

To emphasise cross-party consensus, I must start by saying that I really enjoyed my noble friend Lord Liddle's contribution. Like him, I increasingly become more like an old-fashioned new Labour person.

Lord Wallace of Saltaire (LD): More?

Lord Collins of Highbury (Lab): Well, how could I change? I will continue that theme as I go through my contribution.

This report on the future of the public services workforce highlights something that we have all experienced, as I am sure everyone has, whether in failing to get a GP appointment or when visiting a relative in a care home: the “vicious circle” that the committee described of increased demand, an ageing population, staff shortages, low morale, and recruitment issues. The Government's response is, as the committee puts it,

“at far too small a scale.”

The committee argues that its recommendations would

“make a substantial difference, and secure a more sustainable ... workforce for the future.”

There is cross-party consensus on that, which is reflected in the Government's response to the report. Unlike with many of the reports that I read from this House, the Government accepted all the recommendations. As my noble friend highlighted, there is a lack of any sense of urgency and, perhaps more importantly, of a cross-cutting strategy. I repeat the point made by my noble friend Lady Pitkeathley: as well as the Government accepting the recommendations, we need a clear plan for implementation. The Government mention in their response their commitment to

“engagement with service users and people with lived experience”. That is absolutely vital.

The Government also stated, in terms of the committee's recommendations, that it recognised the importance of having efficient and effective technology in the delivery of high-quality public services. The interesting thing, which I will come back to, is that it is not only technology to deliver at the front end of those services, it is how the Government should use technology to make plans for that delivery. One of the things to stress, and I am sure all noble Lords in the debate have had difficulty trying, is that no one action will resolve these issues. That is why the emphasis needs to be put on co-ordination and cross-cutting proposals.

Perhaps even more importantly, I suggest to the Minister that there should be a cross-cutting department with powers to intervene and that can set strategy. I assume that the Cabinet Office currently fulfils that role, but I am not sure that it has sufficient powers within all government departments. The committee did recognise that the Government do not have reliable data on the public service workforce and projections for future demand. It is really important in her response that the Minister is clear about how the Cabinet Office highlights not only best practice—which it did in its response—but how it can promote best practice on developing and sharing workforce data at all levels, both locally and nationally.

Many noble Lords have focused on the area of developing training programmes in partnership with service users so that they reflect service users' needs and ensure that the workforce is better prepared. One of the things that came out of the debate, which the Minister could reflect on, is, as the noble Lord, Lord Kamall, said, the issue of civil society. I did notice there was a slight change in tone in his voice when the noble Lord mentioned the words “trade unions”, as if they were a shocking part of civil society. Historically, though, they have been the key providers of services, particularly before the establishment of the National Health Service and national insurance. When I first started in the trade union movement, many of the people I worked with had been part of the support in providing national insurance benefits. Certainly, Ernest Bevin was very keen on developing health services for his members prior to the NHS.

The role of civil society is very important in terms of the preparation for work, and also in that changing world we now live in where work is no longer a career

[LORD COLLINS OF HIGHBURY]

and a job is no longer for life. It is that lifelong learning that I think this Government have failed to properly address. It was an absolute shame that the Government withdrew support for TUC unionlearn and the ability of unions to encourage people to retrain and work with employers. That is something that could be better addressed.

I also know, from having met the Minister in her previous incarnation, that she knows the benefit of unions working in partnership with employers. One of the best examples of a partnership agreement was of course at Tesco, where both sides, instead of negotiating over differences, were part of a partnership agreement that focused on the success of the enterprise for the benefit of employees and employers. One of the key elements of that partnership agreement was handling that position of massive turnover but also looking at how you can help people train within the company and also for careers outside the company. There are many other examples of where that has been really important. I hope the Minister can address those issues.

One of the things that struck me in the report highlighted the Prison and Probation Service. We are now facing a situation in which there is huge demand in the Prison Service but also a huge turnover. I declare an interest: my father was a prison officer for many years before he died. I remember very clearly the sense of vocation within that service. Most of the prison officers I met as a child were extremely concerned about the welfare of prisoners. They were involved in training prisoners and supporting them as they came out of prison. I do not see that any more. There is a lack of investment in training in prisons, which has affected the sense of vocation that many prison officers had.

I had a large number of questions about the implementation of some of these recommendations, but I think the thrust of contributions from across the Floor stressed the importance of a co-ordinated approach and planning. Let us see that strategy and have a debate about a clear strategy. I welcome the report of the committee.

1.26 pm

The Minister of State, Cabinet Office (Baroness Neville-Rolfe) (Con): My Lords, I begin by sharing the many thanks expressed to the noble Baroness, Lady Armstrong of Hill Top, for opening the debate with such verve, and indeed to her committee and its staff. I thank all noble Lords for their interesting contributions.

The Public Services Committee, of which the noble Baroness is clearly an excellent chair, has delivered an insightful and important report that has been welcomed by us all. It is a cornucopia of insights and examples. We have had more today—Camden and Wigan councils and secondments mentioned by the noble Baroness, Lady Armstrong, the local IT training mentioned by my noble friend Lord Kamall, high employee participation in the Swedish model mentioned by the noble Lord, Lord Liddle, and so on. At a more strategic level, it has also rightly highlighted the growing demands on the public sector workforce and the need to find

different ways of delivering effective public services and, of course, taking the public sector with us and serving the public well.

I agree with this challenge. I believe we can help to square the circle by making the public services more efficient. This is a mixture of big things—a past example might be making the Bank of England independent—and a plethora of small things. Some of these involve doing things better—for example, using new technology in the right way—and others involve reducing or ceasing inefficient activities and increasing flexibility, as the report highlights. Even more crucial is to attract and retain the right talent and train the workforce well. Examples of all these things can be found in the committee's report.

Since I last served in government, we have improved the life cycle of government delivery—the way we procure, the way we manage and the way we evaluate. To pick up on the challenge from the noble Lord, Lord Collins, I think this is a major strategic contribution. We are improving the way we procure, not only through the Procurement Bill and associated transformation but with high-quality recruitment and professional training to ensure that public services are well equipped with products and services. We will bring in SMEs, social enterprise and the voluntary sector, on which my noble friend Lord Kamall has spoken with passion.

We have improved the way that major projects and workstreams are managed through the Infrastructure and Projects Authority, run jointly by my department and the Treasury, to support successful delivery. We have also improved the way we evaluate government spending decisions with the Evaluation Task Force, which provides specialist support to ensure that evidence and evaluation are used to drive continuous improvement and inform Ministers on decisions.

Specifically on the report, much progress has been made in aligning with its recommendations. The *People at the Heart of Care* White Paper sets out our strategy for the social care workforce and system reform. We are taking forward ambitious reforms to the social care system and progressing the proposals in the White Paper, including on training and technology—a key focus of today's report. This includes boosting workforce capacity, supporting sector digitalisation, developing our approach for improving oversight of the adult social care system, and enhancing the collection and use of data. Another example is the introduction of the public sector apprenticeship target to boost apprenticeship starts across the public sector, which I will come on to, and ongoing investment in preventive services, as several noble Lords have mentioned.

Picking up some of the key themes of discussion, as we recover from the pandemic and face a tight fiscal position, it is more important than ever that we focus on easing pressure on public services. One way we can do this is through investing in technology, as the noble Lord, Lord Collins, said; that is highlighted in recommendation 9 of the report. It is clear that having efficient and effective technology is an integral part of delivering high-quality public services and, as the noble Lord said, it can help with planning and co-ordination. That is why we have created the Central Digital and Data Office in the Cabinet Office to help build

an effective digital Government, which includes a commitment to exploit emerging technologies such as artificial intelligence, blockchain and quantum computing. By 2025, the Government are committed to having improved the skills of 90% of senior civil servants against the digital and data essentials core curriculum, which includes a specific focus on the needs of users and real-life experience—a key theme of the report.

Innovation is key in the design and delivery of public services, and it should perhaps have been mentioned a bit more. Access to data is often central to improving the lives of citizens and businesses. For example, it can be seen in the Geospatial Commission's work on electric vehicle location data to support the rollout of electric vehicles, and in the national underground asset register, which is building a digital map of underground pipes and cables that will revolutionise the maintenance, repair, installation and operation of buried infrastructure, so district nurses will not be waiting in their cars while roads are being dug up.

We need to create leaders throughout the public sector who can navigate the challenges it faces. In recommendation 32, the committee rightly challenges the Government to promote best practice through the Leadership College for Government. The college works with a wide range of partners and leadership academies on common topics, sharing expertise, user focus and feedback. It will be a forum to encourage best practice, for which the noble Lord, Lord Collins, called. I was particularly glad to see that this will include front-line visits by the top of the office—the senior civil servants—right across the UK. The noble Baroness, Lady Armstrong, spoke about knowledge and skills networks. I would like to talk to her further, but the college can become such a network to share knowledge and skills across the public sector.

As well as focusing on those at the top, the Government are focused on creating a pipeline of new talent into the public sector and a skilled and capable Civil Service. As part of this, we launched a revised apprenticeship strategy in April 2022, which sets out our commitment to apprentices making up 5% of the UK Home Civil Service workforce.

Recommendation 23 of the report calls for the successful public sector apprenticeship target to be reinstated. The target was introduced to boost apprenticeship starts across the public sector, and its introduction has had a positive impact—it has been a “successful action”, to pick up on the noble Baroness's words—with over 220,000 apprenticeship starts in the public sector over the initial four-year target period. Apprenticeship starts by new and existing employees now represent around 1/10th of all starts in the public sector. Of course, apprenticeships can also be a vehicle for lifelong learning, and need to be encouraged right across the board.

We are also committed to creating a skilled and highly trained public sector workforce. Despite what the noble Baroness, Lady Brinton, said, for example, the Department for Education has taken action to attract more people into teaching and enable them to succeed, with an entitlement to at least three years of structured training, support and professional development for all new teachers. I agree with the noble Lord, Lord

Wallace of Saltaire, that we need to value teachers, which means building on local good practice. I was recently at Corpus Christi Catholic High School in Cardiff, and I saw the difference that a very good headmaster could make. It was clear that he was training the teachers and empowering them.

I acknowledge that STEM subjects are a challenge. I know from my noble friend Lord Younger that even the University Technical College in Portsmouth finds it very difficult to get girls to sign up to its STEM courses. We want to bring teaching into line with other prestigious professions such as law, accountancy and medicine by a better approach to training.

In addition, the Department of Health and Social Care continues to provide financial support to those wishing to qualify as social workers, through the £58.5 million social work bursary and £18.6 million education support grant. I take the point made by the noble Baroness, Lady Pitkeathley, about the difficulties for those without formal qualifications in social care. I know from my own experience with my father's carer, whom we helped to get qualifications while she was caring for him, that we need to be imaginative and do more in that area.

Training in cyber and computing skills is also a priority. We cannot deliver improved cyber-resilience or meet the integrated review ambitions on science and technology unless we grow and upskill our workforce.

The noble Lord, Lord Hogan-Howe, made some insightful and authoritative points about training and the police force—and, indeed, about police management more generally. I am afraid that I am unable to respond to his detailed points, but we are meeting next week, because he is kind enough to serve as a non-executive director on the Cabinet Office board, and perhaps we can talk further about the points that he has made. If need be, I can come back to him in writing as well.

My noble friend Lord Shinkwin made some very powerful comments about disability in the public service, and I look forward to seeing the IoD report that he mentioned. I recognise his unique contribution and perspective on how we best support disability in public service; he is right to pick up from the report the need to focus on users across the board and say how that can make a difference. I would add that our Access to Work programme has contributed to 1.3 million more disabled people being in work than in 2017, hitting a government commitment. We want to create more opportunities for disabled people to participate and thrive, and our important work on our health and disability White Paper goes on.

Many noble Lords have talked about preventive services. To respond to the noble Baroness, Lady Pitkeathley, we need to prioritise investing in preventive services so that we can ease the burdens on public services by solving problems, as she said, before they become acute. For example, the likelihood of ex-offenders reoffending is significantly decreased if they have a home, a job and access to healthcare, including substance misuse treatment. That is why the Ministry of Justice is investing £200 million a year by 2024-25 to drive down reoffending and to offenders off drugs and into skills training, as well as into work and living in stable accommodation.

[BARONESS NEVILLE-ROLFE]

The 2021 Autumn Budget saw the Department for Levelling Up, Housing and Communities' supporting families programme, which now has planned funding of £695 million over three years. It is an important programme because it helps disadvantaged families with problems relating to unemployment, financial insecurity, the risk of homelessness and educational inequality.

My noble friend Lord Kamall brought fascinating insights into the link between government departments, civil society organisations and public sector partnerships. He will know that many government departments hold regular engagements at official and ministerial levels with civil society organisations to consult on the implementation of policies and to find innovative ways to improve public services from the point of view of citizens and users. The work we are doing on procurement represents something of a step-change in this area. I disagree with the noble Lord, Lord Wallace of Saltaire—we often disagree on these points—in that the amendment we made on Report regarding social enterprises and SMEs sends a message which is extremely important in the transformation programme that follows the Bill.

The Government have been very ready to use the private sector and civil society to deliver, as my noble friend Lord Kamall will know from DCMS, which very much leads the way. I believe in consultation with stakeholders and have been seeking help from stakeholders and users on the development of border import controls, which is one of my current challenges.

I am sorry so many committee members have been kept away by industrial action today. It is important that we view this report within the context of industrial action across the public sector, the huge economic challenge we face and the risk of inflation running out of control. This Government are committed to working constructively, but we need the unions to be fair and reasonable in return. Despite what the noble Lord, Lord Liddle, said, the country simply cannot afford some of the demands being put forward, such as the 19% demand from the nurses, who of course we all support and value. The only way to truly mitigate the impact of these strikes on people is for the unions to go back to the negotiating table for a reasonable solution.

Lord Collins of Highbury (Lab): And employers too.

Baroness Neville-Rolfe (Con): And employers. I know from my experience at Tesco, which the noble Lord, Lord Collins, was kind enough to reference, how important discussions with unions on ways of working and training can be. It is not only about pay; it is also about how you modernise, move forward together and use new technology, as he was saying. So I think even the old-fashioned Labour people opposite—

Lord Collins of Highbury (Lab): New.

Baroness Neville-Rolfe (Con): —old-fashioned new and old—might agree with that. However, for today, strikers need to ask themselves whether it is really fair

to do what they are doing as the country is trying to have what is meant to be the first normal Christmas for some time.

The noble Lord, Lord Davies of Brixton, spoke at some length about pensions, which I know from previous exchanges he is very knowledgeable about. The Government implemented a number of pension scheme reforms in 2015. One area of reform was to make it easier to stay in work for longer and to return to work after taking pension payments by introducing late retirement factors and removing the abatement on re-employment. The Government already provide flexibility for those transferring into, out of and within the public sector—for example, through the ability of staff joining the public sector to transfer accrued pensions from private sector schemes into their public sector pension scheme, and the public sector transfer club for transfers within the public sector. On the transfer of smaller pension schemes, I will have to come back to him, but quite a lot is being done. As the noble Lord will know, I cannot bind ministerial colleagues, but he is right to say that the public service pensions are a crucial part of the total remuneration package for staff in the public services.

Finally, the noble Baroness, Lady Armstrong, asked about the Employment Bill. I believe that some of the measures on workers' rights that she is probably concerned about, and that we pledged in the manifesto, are now being picked up in Private Members' Bills starting in the other place, and they have passed their Second Reading. She smiles. So, some progress is being made. We agreed that flexibility can be powerful and important in public services. For example, I know that it is important in bringing older people into the workforce. I thank her for raising that point and for the opportunity to discuss progress on employment.

In closing, I again thank all noble Lords for their excellent contributions throughout this debate. We share the sentiments of the committee's report and agree that the Government and the country face enormous challenges: an ageing population, climate change, recovering from Covid and the war in Ukraine. We can meet those challenges only if we continue to innovate, harness new technology, build and value a more skilled workforce, and always look to do things more efficiently. If we do this, I believe that we can deliver the services our people deserve. I am here to do all I can to make that happen.

1.47 pm

Baroness Armstrong of Hill Top (Lab): My Lords, I thank everyone for their contributions. Anyone listening to the debate today will know that, across the piece, this House understands that public services are central to the lives of people in this country. Whoever we are, whatever our age or culture, they are essential to our safety, our education, our opportunities for skill development. Public services are important across the piece and, therefore, how we view their main part—the workforce—is critical.

The report makes it clear that there has to be a step change in how the Government approach that overall. Members today have made some very telling points about individual aspects of public service, but they

have also said that, overall, unless we value, give opportunity and are creative and flexible, we will not be able to offer the public service that the population of this country not only need but are saying they want.

I hope this report can be taken up by the Government. We were very disappointed that a Cabinet committee on public service reform, set up in the Cabinet Office at the beginning of the 2019 Government—that seems a long time ago now—met only once; it is certainly not there any more. Without that sort of attention, the Government will not be able to answer the questions that this committee has raised. I was not able to raise all of them, but thankfully, other people have helped me out today: on the importance of civil society, of lived experience and of using that in both the design and delivery of services. I was not able to answer a whole range of other things, but they are in the report.

I hope that Members who were not part of the debate today will none the less take the opportunity to look at the report and that all of us will make sure that we do our bit to produce a public service workforce that is fit for the future.

Motion agreed.

Cabinet Manual: Revision (Constitution Committee Report) *Motion to Take Note*

1.50 pm

Moved by Baroness Drake

That this House takes note of the Report from the Constitution Committee *Revision of the Cabinet Manual* (6th Report, Session 2021–22, HL Paper 34).

Baroness Drake (Lab): My Lords, the first and to date the only edition of the *Cabinet Manual* was published in 2011 by the Cameron Government as, to quote the Cabinet Office, a

“guide to laws, conventions and rules on the operation of government.”

Ten years on, in 2021, the Government advised, in a letter dated 5 March from Simon Case, Cabinet Secretary to the chair of the Public Administration and Constitutional Affairs Committee, that it did not plan to update the manual in the short term. The Constitution Committee decided to conduct a short inquiry to explore whether it needed to be updated, the process for doing so, how Parliament should be involved, and what role the manual should play as a public document.

To set the *Cabinet Manual* in its historical context, amidst allegations of misconduct in public life, the Committee on Standards in Public Life—the Nolan committee—was established by the former Prime Minister, the right honourable Sir John Major, to advise on how standards could be raised. The committee outlined the Seven Principles of Public Life, known as the Nolan principles, a set of ethical standards that those working in the public sector should adhere to.

The standards of conduct and behaviour to be adhered to by Ministers, parliamentarians and officials have been articulated in various codes, including the Ministerial Code, the Civil Service Code and the Code

of Conduct for Special Advisers. They all explicitly incorporated the Nolan principles. They include enforcement mechanisms should breaches occur, which generally rest upon soft rather than hard-law remedies. The *Cabinet Manual* followed on from the publication of the codes. Initiated by the right honourable Gordon Brown and concluded by the right honourable David Cameron, it was inspired in part by the New Zealand *Cabinet Manual*.

The coalition Government published a draft edition in December 2010 for public consultation, including engagement with Select Committees in both Houses. The manual was endorsed by the Cabinet. It reaches across a wide ground: issues such as the monarchy, elections and government formation, the Cabinet, Ministers, the Civil Service, devolved Administrations, the EU, finances and public information, and more.

As to its status, the manual is intended to provide authoritative guidance to Ministers and officials by recording, rather than being the source of, rules and practice on the operation of government, and therein lies its value. It is a work of reference, recording, rather than prescribing, constitutional rules, including conventions and practices set out in official documents. It does not require behavioural standards beyond what is required by the codes or by law. Accordingly, it does not include enforcement mechanisms, although it broke some new ground with the content regarding elections and government formation.

As a matter of constitutional principle, ensuring adherence to the *Cabinet Manual* will ultimately be a matter for the Prime Minister. In 2011, both the Constitution Committee and the Public Administration and Constitutional Affairs Committee recognised that, while Parliament has

“a role in scrutinising the draft Manual and future revisions”,

it was for

“executive use and so should not require Parliament’s approval.”

However, the Constitution Committee recommended that the Prime Minister should make clear in the foreword to the next edition the duty on all Ministers to adhere to the constitutional principles contained within it.

For the *Cabinet Manual* to remain useful, it needs to be regularly updated. If out of date, it will lack authority, cause confusion and risk becoming moribund. As the noble Lord, Lord, Lord O’Donnell, wrote in his preface to the first edition:

“The content of the Cabinet Manual is not static, and the passage of new legislation, the evolution of conventions or changes to the internal procedures of government will mean that the practices and processes it describes will evolve over time.”

He added in his evidence to us that the manual was a

“valuable document ... having one, as long as it is up to date, is very, very important for the business of government.”

Much has happened since the manual was published in 2011, including further devolution of powers, the UK’s departure from the EU and changes to the way Parliament is dissolved. Simon Case in his evidence concurred that the main changes would concern Brexit, devolution and repeal of the Fixed-term Parliaments Act. Most of our witnesses agreed that an updated manual was overdue.

[BARONESS DRAKE]

The committee recommended that a draft update be produced as soon as possible, and not later than 12 months from the date of our report, and thereafter that updates be considered at the beginning of each Parliament, endorsed by Parliament, with important revisions reflected immediately in the online version. As with the 2011 edition, we recommended that the process include consulting on the revised version. Regrettably, 18 months later, there is still no updated edition.

The Government responded to the committee's report in a letter from the noble Lord, Lord True, dated 7 February 2022, in which he comments:

"There is a strong argument for revisiting the Cabinet Manual, and there has been work to identify the main areas that would require updating ... I can confirm that the Government intends to publish an updated version ... before the end of this Parliament."

I subsequently wrote to the Prime Minister on behalf of the committee, re-emphasising four of our recommendations which we considered the Government had not given a view on, these being: first, that the Prime Minister make clear in the foreword to the next edition the duty on all Ministers to adhere to the constitutional principles recorded within it; secondly, noting the significant constitutional developments since 2011 and given that an updated manual will serve to guide Ministers as to the constitutional rules pertaining both to recent developments and longer-standing constitutional matters, that it would be prudent to secure a high level of consensus on its content—the Constitution Committee, along with the relevant committees in the House of Commons, should be meaningfully consulted; thirdly, that consultation should include sharing draft revisions to allow for sufficient scrutiny and feedback; and, fourthly, that the Government should consult the relevant committees in the devolved legislatures in line with the Prime Minister's responsibility "to ensure that all of government is acting on behalf of the entire United Kingdom: England, Northern Ireland, Scotland, and Wales."

The noble Lord, Lord True, subsequently replied:

"Our process for updating the Cabinet Manual, including any engagement, will reflect the extent to which significant changes are required or whether the updates are more limited in nature ... On ministerial duties, when the first edition was published it was endorsed by the Cabinet. The then Prime Minister made it clear that he would expect everyone working in Government to be mindful of the guidance it contains. This remains the case."

I ask the Minister to take the opportunity of this debate to update the House on the Government's timetable for publishing a revised copy of the *Cabinet Manual*, the approach taken to that revision, and any plans the Government may have for consulting relevant committees of the House of Commons and the Constitution Committee and the relevant committees in the devolved legislatures.

Finally, I shall bring my speech to an end on a more philosophical note. Simon Case in his evidence on to our inquiry on the manual and codes observed:

"They set out, in any given moment, the norms by which government operates, the standard expected of Ministers and the Civil Service ... They are important and should be kept at the forefront of people's minds."

A "but" followed:

"If we end up in a system in which it is only the letter of the law, or of the codes or the guidance, that runs, we have missed something. It is about culture and people wanting to uphold those basic principles".

We agree with him on that. In a recent report, *Good Chaps No More? Safeguarding the Constitution in Stressful Times*, the noble Lord, Lord Hennessy of Nympsfield, a member of the Constitution Committee similarly observes:

"If general standards of good behaviour among senior UK politicians can no longer be taken for granted, then neither can the sustenance of key constitutional principles".

As to the Constitution Committee, I refer to the sentiment in our concluding paragraph.

"Documents such as the Cabinet Manual, Ministerial Code and Civil Service Code are an important part of the United Kingdom's constitutional framework. Together with the Nolan Principles, respect for the Manual and Codes is essential for upholding principles of good governance, including adherence to constitutional conventions and the proper conduct of public and political life. They are crucial to the wider national wellbeing as well as to the public's trust in government. They must never be treated as optional extras to be swept aside or ignored to suit the convenience of the executive."

I beg to move.

2.01 pm

Lord Howell of Guildford (Con): My Lords, I congratulate the noble Baroness, Lady Drake, on what she has just said and on securing a slot debating this issue. That we are debating it as the last item on a Friday afternoon before Christmas has some message in it, given that it is a key constitutional issue, but I leave noble Lords to deduce that for themselves.

I view this debate and the whole issue as a replacement exercise: we are searching for how to replace the standards, conventions and moral behaviour patterns of a past age with something new and more effective. The fundamental point, of course, is that the rule of law must apply to both rulers and ruled at all levels. That is why we know Soviet communism failed eventually and why Chinese Communist Party rule will eventually fail despite the brilliance of the Chinese people and their economy. The question for us is how to deal with this problem in an age of hypercomplexity and hyperconnectivity.

This search began in modern times back in the 1930s with Lord Keynes and his belief that his kind of modern economy and society would be run smoothly by educated administrators and enlightened governors all sharing the same principles and duties—a marvellously civilised and unprejudiced elite, mostly, by implication, from the middle class and public schools. I tried to expand on this in my book *Freedom and Capital* in the early 1980s, but we are told that Clive Priestley in the Cabinet Office first called it in 1985 "the good chaps theory of government". More recently, that expression has been given wings brilliantly by that 21st century Bagehot, my noble friend Lord Hennessy, whom we are going to hear from shortly.

What it all boils down to is that there was assumed to be a certain unwritten exemplar of behaviour and decency in the way that government was conducted which there was no need to write down, but now, in this very different day, age and context, that no longer

works. Hence the intensified calls to fall back on up-to-date written codes and guidance telling us how constitutional government works and what rules should be observed—and so enter the *Cabinet Manual* that we are now discussing, the Ministerial Code, the Civil Service Code and a whole host of other rulebooks.

The difficulty that comes, when you write everything down, is that it is full of subjective views and opinions. That is just where the present *Cabinet Manual* rests, with the Prime Minister's deciding judgment about any transgressions, and it is why some people call for it to be put into statute law. If that is the next move, the trouble is that then come the judges, the judicial reviews and all the rest, bringing law into politics. That is where we are already, in fact, with judges facing impossible dilemmas: on the one hand, they have to implement the law as laid down not just by Parliament but by international norms, while on the other they face a body politic increasingly driven by populist instincts and inward-looking nationalist priorities and fragmented by identity politics and post-Brexit legal uncertainties.

Add to that the heaving sea of online connectivity, transparency, polarised opinion and the noise of argument about what is right and wrong, what are good and acceptable ways of carrying on and what are bad, with precious little prospect for common ground between the two. The uproar reaches a crescendo of accusations and rumours, with the rawest kind of partisan politics wading in. I think it was Jim Callaghan who once warned that a rumour can travel round the whole world before the truth can even get its boots on.

Small wonder, then, that with absolutely everything disputed—now even, heaven save us, gender—and everything up for grabs, demand grows for a better-codified order, revised and updated with renewed constitutional clarity. Incidentally, all this leads to a horrible atmosphere in and around politics in which people denounce each other as though in China, where the spy is watching at the end of the road, or recalling the French revolution's chilling cry of “J'accuse” being enough to send someone to the scaffold—or at least, in modern terms, to suffer public pillorying in the media and banishment and dismissal, as recently occurred in the deplorable case of Conor Burns MP. Hence the understandable desperate impulse to write it all down.

However, one has to ask: will this desire to have the matter written down in letters of gold have any impact on standards of behaviour? Frankly, I doubt it, without huge changes of attitude and a perception of common purpose, which would make it all unnecessary anyway. We have enough rules and procedures written down already—codes of a sort.

By far the best course would be for pressure everywhere, in the media and Parliament, to ensure more honest presentation of the dilemmas and complexities of public life and governance. Leaders there must be, with impeccable standards—that is essential—but where we allow gigantic half-truths to prevail in public debate, that is where the dodging, weaving, dissembling and deviating begin and the arguments about rule-breaking in high places take centre stage. Examples are most vivid in the role of Parliament and its relations with the Executive and the judiciary; in what is guidance

and what is law; in half-baked economic theories about how to stop inflation, where I think the public are being very badly misled; in how to stop the UK from falling apart—the devolution issue; in distorted ideas about levelling up; and in many more areas besides.

More honest debate over major issues, presented and explained, would produce the conditions in which little dishonesties and deceits were more rapidly exposed and discouraged, and honest government conducted strictly under the rule of law was delivered in a constitutional framework. Lord Denning reminded us:

“Be ye never so high, the law is above you.”

We should need no further codes or manuals to remind us constantly of that.

2.09 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I thank my noble friend Lady Drake for introducing the debate in such a masterly way. The work of the Constitution Committee is largely unsung, but it provides a vital service to the House, and it reminds us, among other things, of the seriousness of our constitutional role. I will open my contribution as she ended hers. She concluded with a quote from the Cabinet Secretary on culture and referred to the role of the manual in the proper conduct of public and political life and to the public's trust in government. I come to the report through the prism of culture to ask: what can the public expect from us as parliamentarians, and what behaviours are they entitled to expect? What are the cultural norms that generate trust in the public and the electorate?

I was a member of the Nolan committee, the first Committee on Standards in Public Life. I was invited to serve by the then Prime Minister, John Major, in the wake of the exposure of a number of dubious activities by Members of Parliament, culminating in the so-called cash-for-questions scandal that was perceived to threaten the stability of the then Government. My contact with parliamentarians until that point had largely been as an advocate, but I knew only a small number of MPs and committees, and I was definitely in awe of Parliament and its responsibilities. I remember the huge responsibility I felt, and how difficult but important the task ahead seemed. Nevertheless, the seven principles of public life which the committee produced have subsequently been embedded in the standards landscape across the public sector and elsewhere. In Parliament, they have required Ministers, parliamentarians and officials to adhere to certain standards of behaviour articulated in different codes and all brought together in the *Cabinet Manual*. As such, I feel a certain proprietary interest in how the manual is used and developed.

Perhaps I was naive in those early days, but I still feel the same awe at the importance of the concept of parliamentary democracy, have the same belief that parliamentarians must earn the public's trust, and have the same respect for the many honourable, hard-working and inspirational parliamentarians I have known in both Houses. However, there is no doubt that, over the last few years, we have again seen an upsurge in dubious behaviour by Ministers and others—

[BARONESS WARWICK OF UNDERCLIFFE]

particularly during the crisis of the pandemic—which has been covered extensively in the press and is clearly causing concern among the public, potentially undermining their trust in the honesty and integrity of Parliament. An up-to-date and transparent *Cabinet Manual* is a key instrument in addressing that.

In its report, the Select Committee quotes the current Cabinet Secretary, Simon Case, and, like my noble friend Lady Drake, I will quote what he said, because it seems to be the essence of the Select Committee's report. He said that the manual and codes

“set out ... the norms by which government operates, the standard expected of ministers and the civil service ... They are important and should be kept in the forefront of people's minds ... It is about culture and people wanting to uphold those basic principles”.

The Constitution Committee agreed, as my noble friend said in her introduction to the debate; as did two former Cabinet Secretaries, the noble Lords, Lord O'Donnell and Lord Sedwill. Simon Case added that it

“has to belong to the Prime Minister and Cabinet of the day, to articulate their view of how government should, and can, work”.

To my mind, it is important that the Prime Minister and the Cabinet have a contemporary understanding and agreement on how they are required to behave to generate public confidence, and that this is also widely understood. So, when I read the Constitution Committee's report, I was forcefully struck by the stark fact that the *Cabinet Manual* has not been updated for 11 years. That is nothing less than irresponsible, given what seems like a tsunami of recent allegations of misconduct in public life, the kind of misconduct which the codes—which the manual embodies—are intended to address. The committee, with understandable constraint, merely cites a few in a footnote, but every newspaper reader is familiar with recent cases. They include: the finding by the independent adviser on ministerial interests that the then Home Secretary, Priti Patel, broke the Ministerial Code, but was exonerated by the Prime Minister; that there were investigations into the refurbishment of the former Prime Minister's residence in Downing Street; that the same former Prime Minister nominated a life Peer, the noble Lord, Lord Cruddas, contrary to the advice of the independent House of Lords Appointments Commission; and that Ministers made misleading statements and relied on inaccurate statistics, and are not held to book. All that undermines public trust, and suggests, to paraphrase “Hamlet”, that the *Cabinet Manual* is less honoured in the observance than in the breach.

I am therefore pleased that the Government have accepted the recommendation of the Constitution Committee that the manual be updated before the end of this Parliament. However, I hope the Minister will go further today and agree that, in the interests of improving public confidence and reinforcing adherence to proper standards in public life, the manual will be updated at the beginning of each Parliament and endorsed by the then Cabinet. That will give some confidence that the manual and codes will not be, as the Constitution Committee warns,

“swept aside or ignored to suit the convenience of the executive.”

2.15 pm

Lord Hennessy of Nympsfield (CB): My Lords, I declare my membership of your Lordships' Constitution Committee. In addition, I must declare an eccentricity, for I am one of a tiny number of people in the kingdom who experience a spasm of excitement when I hear the words *Cabinet Manual*. I do not wish to exaggerate, but a dash of curiosity laced with concern really does flash across my little grey cells. I am sure your Lordships think I should get out more, but it is the truth.

Why concern? The manual, after all, is not a written constitution in disguise; it is merely an Ordnance Survey map of proper expectations and decent behavioural norms for those set in authority over us. Yet this piece of cartography, this dully written collection of the codes—ministerial, Civil Service and special adviser—plus the Nolan principles of public life, is a crucial defence against any overmighty Prime Minister who is tone-deaf to the niceties of conventions and the self-restraint which lies at the heart of what an old Cabinet Office friend of mine, the late Clive Priestley, used to call the “good chaps theory of government”, as the noble Lord, Lord Howell of Guildford, reminded us. The core of Clive's theory, which of course embraced chaps of both sexes, ministerial and official alike, is that they knew where the unwritten boundaries of decent behaviour were drawn and made sure they never came near, let alone crossed, them.

To avoid the *Cabinet Manual* being allowed to wither, decay and die through inattention or disdain is, in my judgment, a first-order matter. I am deeply grateful to the noble Lord, Lord True, who has a great knowledge of the constitution, for reassuring your Lordships' Constitution Committee that this fate does not await the manual.

As one of nature's herbivores rather than a political carnivore—to borrow Michael Frayn's celebrated distinction in his essay on the Festival of Britain—I live in optimistic expectation that an enduring consensus can be built from the sturdy masonry of the concluding paragraph of the *Revision of the Cabinet Manual* report produced by your Lordships' committee. Other noble Lords have quoted from it already, but it bears repetition:

“Documents such as the Cabinet Manual, Ministerial Code and Civil Service Code are an important part of the United Kingdom's constitutional framework. Together with the Nolan Principles, respect for the Manual and Codes is essential for upholding principles of good governance, including adherence to constitutional conventions and the proper conduct of public and political life. They are crucial to the wider national wellbeing as well as to the public's trust in government. They must never be treated as optional extras to be swept aside or ignored to suit the convenience of the executive.”

I finish with a thought on how our constitutional defences could be strengthened in future. In a short study I published a few weeks ago with my co-author and former student, Professor Andrew Blick of King's College London, which we have titled *The Bonfire of the Decencies: Repairing and Restoring the British Constitution*, we press the case for a Prime Minister's oath, which every new occupant of No. 10 would swear before the Speaker and the House of Commons. We would probably vary over what ingredients should

make up a PM's oath. Several would not be keen on the idea at all. It may strike others as an example of "good chappery"—a piece of political archaeology reflecting an era long past and kept going by a small number of elderly and nostalgic romantics—but I believe the idea has both timeliness and utility.

Professor Blick and I therefore suggested the following context: to uphold the principle and practices of collective Cabinet government; to uphold and respect the conventions and expectations contained in the Ministerial Code, the *Cabinet Manual* and Nolan's Seven Principles of Public Life; to sustain the impartiality of the Civil and Diplomatic Services, the intelligence and security services and the Armed Forces; to have constant regard for the Civil Service Code and the special advisers' code; to account personally to Parliament and its Select Committees for all of the above; and to uphold the rule of law in all circumstances. Such an oath would fit with our country's instinct for incremental evolution when it comes to constitutional reform. It would strengthen our constitutional defences through its very existence. It is, in my judgment, both aspirational and practical, and a signal of good intent. I live in hope.

2.20 pm

Viscount Stansgate (Lab): My Lords, I am delighted to take part in this debate and have looked forward to it with the same sense of excitement that has just been expressed. I commend the Select Committee for its excellent report and my noble friend Lady Drake for the clear and comprehensive way in which she outlined its contents.

I hope the House will allow me to start with a personal tribute. In the short time since I was elected to this House, this is the first time I have had the pleasure of seeing the noble Lord, Lord Hennessy of Nympsfield, in his place. I hope I might call him my noble friend because, over many years, he has been one of the astute observers of what we might call the Westminster village, and his expertise and analysis has been universally acknowledged. His books and writings have made a tremendous contribution to our understanding of the constitution. I find, after the comments of the noble Lord, Lord Howell, that I am not the only person in the Chamber who feels that the noble Lord, Lord Hennessy, and Walter Bagehot would have found in each other the same sense of expertise in analysing the political world in which they lived. The way in which the noble Lord has promoted the "good chaps" theory of government is so important, particularly when we have lived through a period when that has been so severely breached, and we are still living with the consequences today.

I am not a member of the Constitution Committee, nor a former Cabinet Secretary or Minister. I am a Back-Bench Member of this House, but I am taking part in this debate because I have an interest in how this country is governed—this debate, if nothing else, is about how the country is governed.

I went to talk to a sixth form not all that long ago. I brought along a copy of the *Cabinet Manual* and said, "Here you are: you might like to look at this because it explains, in ways you may not realise, how this country

works—or is supposed to." I regret to say that they had never heard of it. Yet I feel that the document, and the updated document we all hope will result from this debate, should be available in schools, because it is part of our constitution.

I pay tribute to Gordon Brown for having been the one who, as Prime Minister, triggered this and to the noble Lord, Lord O'Donnell, for having drafted, written and produced it. The then Prime Minister of course continues to have an interest in the architecture of our constitution, and we will hear more about that in the future. I note that it is the view of the noble Lord, Lord O'Donnell, that the lack of an effective enforcement mechanism means that contravention may be merely political—there is no sense in which there is anything more formal than that. Of course, "merely" political can encompass a great deal of things. I am taken back almost 50 years to when I first came across a then secret document, *Questions of Procedure for Ministers*, which was a precursor to the Ministerial Code. I can report that it of course caused a great deal of tension between the then Prime Minister and a member of the Cabinet. Noble Lords do not have to listen to my account of it; they can read all about it in someone's diaries.

I congratulate the committee on its report. It is not very long, but it encapsulates all the major issues arising. I hope that today's debate will help to shape the way in which the *Cabinet Manual* can be updated and retain its role as a valuable document.

I hope that the House will not mind my regretting that it has taken a year and a half for this debate to come forward. I know that that is the fate of many Select Committee reports. Nevertheless, you could argue that the delay has enabled us to have an even more rounded view of the areas in which the *Cabinet Manual* needs to be updated. After all, since the Select Committee report was originally published, we have had three Prime Ministers and countless other examples of Ministers changing, with the greatest number of Ministers in a department in a single year. We have, I think uniquely, two resignation honours lists pending, and in an updated manual a place might be found for what you would do about that.

However, there is a broad consensus, which I endorse, that the most appropriate time to bring to a conclusion a review of the *Cabinet Manual* is in the gap between one Parliament and the next. That is certainly more sensible than doing it over the Summer Recess. Can you imagine someone trying to do it in the Summer Recess of 2019 or 2022? They would have found that most of their work was outdated by the time they had finished it.

I note that the Leader of the House, in his then capacity of Minister of State in the Cabinet Office, has said that the Government intend to publish an updated manual before the end of this Parliament. I wonder whether it will be sneaked out on Christmas Eve in 2024—we shall have to wait and see. There are a range of issues that the committee has identified as important enough to be included. A prime example is the repeal of the Fixed-term Parliaments Act, which I never liked or supported, and the way in which we have restored the essential flexibility to our parliamentary

[VISCOUNT STANSGATE]
 democracy. There are other examples as well. I cannot be the only Member of this House to take the view that the attempt of the then Prime Minister to prorogue Parliament for six weeks in 2019 was an astonishing breach of every convention encapsulated in the *Cabinet Manual*. There was nothing remotely “good chaps” about that.

Another example—there are several, and some have been mentioned in other speeches—obviously, is the effect of devolution in the 10 or 11 years since it took place. There is the fact that, in triggering Article 50, Parliament in the end needed to be involved; that needs to be reflected in the manual, too. Parliament’s role in agreeing military conflict and treaties needs to be updated. There are the obvious changes as a result of our leaving the European Union, some of which we do not yet know. I might add a couple of extra vignettes for the House. One was the need to update paragraph 1.8 of the *Cabinet Manual*, relating to counsellors of state, which, as the House knows, had to be updated because it was realised that the definition of “counsellors of state” as the next four people in line to the throne had become unworkable in the current circumstances. Anyway, we have now changed that and put it right. It might even refer to efforts to influence the size of the House and reduce it.

I know that it has been the opinion of many distinguished Cabinet Secretaries that this is an executive document and ultimately the preserve of the Prime Minister, but that should not preclude Parliament—and I mean both Houses—from playing a meaningful role in updating it. It is essential that Parliament updates it; the appropriate committees should have the right to be consulted and should reach a view on what the proposed update should be. I hope that the Leader of the House in his reply will at least convey an assurance that that will be undertaken.

Finally, I personally hope that one result of this debate will be to inject the *Cabinet Manual* with a renewed lease of life. I do not want it to be a polaroid snapshot; I want it to be a valuable document that continues to play a useful part in our efficient constitution, and not let it decay into becoming part of our dignified constitution.

The Deputy Speaker (Baroness Barker) (LD): My Lords, the noble Lord, Lord Howarth of Newport, is taking part remotely, and I invite him to speak.

2.28 pm

Lord Howarth of Newport (Lab) [V]: My Lords—

The Deputy Speaker (Baroness Barker) (LD): My Lords, we cannot hear the noble Lord, Lord Howarth. I suggest that we move on to the noble Lord, Lord O’Donnell, and come back to the noble Lord, Lord Howarth, when the technical problems have been resolved.

2.29 pm

Lord O’Donnell (CB): I start by joining the noble Viscount, Lord Stansgate, in paying tribute to my noble friend Lord Hennessey of Nympsfield, who, I should stress, was a collaborator on the first edition of

the *Cabinet Manual*. He was one of the academic experts whom we consulted about various constitutional matters, and he provided great advice to us. Indeed, he is associated very much with the “good chaps” theory, and I cannot think of anyone who is more the ultimate good chap than the noble Lord, Lord Hennessy.

It is interesting: the evolution of the *Cabinet Manual* is important. People have referred to John Major, and I was his press secretary when we went through the period of real concern. This led to the Nolan principles, which led to the publication of—people have probably forgotten this—QPM: *Questions of Procedure for Ministers*. These are things that go back a long way. People around the Chamber are nodding; it is good to see the experience that is here. So he started this process off of thinking about how we improve trust in politics by laying down some codes about ethical standards.

This is truly a cross-party venture, which is why, as a Cross-Bencher, I really welcome this. I was tasked by Gordon Brown—a Labour Prime Minister—to start this process. It came to fruition in 2011 with David Cameron as Prime Minister, who signed it off with the full support of the Deputy Prime Minister, Nick Clegg of the Liberal Democrats. It has always brought parties together in trying to come up with something which basically codifies where we are, in the absence of a written constitution, and can be a guide as to what constitutes good behaviour. I think people are trying to get it to do a little bit too much, and I will come back to that.

On the production of it, as the noble Baroness, Lady Drake, said, this was stolen with pride from New Zealand, which had done it before us. I say to the noble Baroness that this is an excellent report and I very strongly agree with its recommendations. The New Zealanders have an approach to updating their *Cabinet Manual* which is in line with what the report suggests. It suggests that you have an online edition and as legislation changes—for example, the repeal of the Fixed-term Parliaments Act—you amend that immediately so that there is always an up-to-date edition online and then, periodically, you get to have a major revision.

In the preface of my first edition, I wrote that “it will need to be updated periodically”.

What terrible drafting—“periodically”—how vague can you be? I look back on that and I think that it could possibly be amended in 2024, which would be 13 years on. I remember being posted to the British embassy in Washington and waking up one morning surrounded by cicadas. These creatures burrow down and 13 years later they come up and they are refreshed; they run around, they have their lives, they mate and then they die. Their whole lives are six to eight weeks. If they can do it in six to eight weeks, I am sure the Minister can produce a new volume in good time.

The *Cabinet Manual* does need to be updated and there are key areas that people have talked about. There are obvious ones, such as Brexit and devolution. There are others that are not quite so obvious but are very important. During the coalition, we learned a lot about the way it operated. I had this brilliant idea of a coalition committee that would meet weekly—a complete

waste of time. That was not the way it operated; we had bilaterals and a thing called the quad, which worked much more efficiently than the rather bureaucratic thing I had come up with, which was discarded and rightly so.

We need to think about the caretaker convention, which a lot of people have talked about. The devolution settlement has gone through some big changes. Big exogenous shocks—as we economists like to call them—such as Covid and the war in Ukraine have created all sorts of issues for the way in which government operates in crises. We need to learn from the experience of those.

On the point that a number of previous speakers have made, ethics more generally, of course, are absolutely crucial. It must be remembered that the *Cabinet Manual* brings together those codes and all those important things which are agreed. It is there as a work of reference. By creating a new one, you are given a stimulus to ask: are those existing codes right? Are the enforcement mechanisms correct? All those things are very important. The *Cabinet Manual* should be bringing all of those together.

Whose is it? That is very important. It is the *Cabinet Manual*, but it is also the Cabinet's manual. It is owned by the Executive, but of course there should be extensive consultation with Parliament and Select Committees, as there was with the draft chapter on hung Parliaments, which we did before the 2010 election. That was really valuable.

There are trickier problems, which no one really wants to get into, but which I found very difficult when I did the first one. An example is conventions. When do precedents become conventions? When does someone breaking a convention mean that the convention no longer exists? We have had examples of all those things. I could not solve that, so good luck to all those trying to. It is tough, but there are important things that need to be highlighted there.

There has been great work from the Constitution Unit at University College London. I hope we can disseminate this. I am really disappointed by what the noble Viscount said about the school he visited. I went to Richard Challoner School in Merton, a good state Catholic school, where A-level politics students were learning about the *Cabinet Manual*. Taking a guess, maybe the school he went to was just taking parts of the curriculum.

We need to think about dissemination to a broader public. We have heard already that the word used was “dull”. It was indeed written very carefully and legalistically. I hope we can think about putting in some examples to make it come alive, and help a new generation understand it and feel encouraged about trust. The point is that we want to increase trust.

Again, I strongly recommend the report and thank the committee for it. A new version of the *Cabinet Manual* is essential. It is necessary, but not sufficient, for improving trust in our politics.

2.37 pm

Lord Berkeley (Lab): My Lords, I too congratulate my noble friend Lady Drake and the committee on this fantastic piece of work. It has also set alight a lot

of wonderful comments from noble Lords in this debate, particularly about the need to move on from the era of “good chaps”. Nowadays many of us are not good and we are certainly not all chaps. We have to move on from that.

I want to give a small example of a failure of the Ministerial Code which reflects a complaint against the Prime Minister of the day. Maybe the noble Lord, Lord Hennessy, will have solved the problem when we hear more about his ideas, but it seems to me that we are ending up with the Prime Minister being judge, jury and defence. That does not help public trust.

I wrote to the Cabinet Secretary in July 2021, asking him to investigate allegations that Ministers had failed to comply with paragraph 1.3 of the Ministerial Code, by failing to give

“accurate and truthful information to Parliament”,

knowingly misleading Parliament and failing to be

“as open as possible with Parliament”.

I was complaining about the Department for Transport. It was very helpful, because the Cabinet Secretary passed the letter to the department for a reply, which was of course not very helpful, because it was a long letter of defence.

I thought I would have another go and asked the Cabinet Secretary what he was going to do about that. He said that he could not do anything because

“the decision to investigate matters, and on the appropriate action to be taken, lies with”

the Prime Minister. So I wrote to the Prime Minister, but of course I did not get a reply. I could try again a year later, but it comes back to the fact that, under the code, the Prime Minister is responsible for taking action, and he did nothing.

Other noble Lords have mentioned other failings and the allegations of Ministerial Code breaches within the last five years. I got rather a long list from the Library when I asked, which I found rather depressing. Noble Lords will know all about them: Michael Fallon, Priti Patel, Damian Green, Amber Rudd, Mark Field, Matt Hancock. I am not going to go into what each one of them was alleged to have done because it does not really matter—well, it does matter, but that is not the point of what I am trying to say now.

The worst examples were the allegations against the then Prime Minister about the cost of his wallpaper and things like that. Again, the subject does not matter particularly, but the question I have is about who deals with this. Who deals with the allegations of failure to comply, misleading Parliament, and so on? Is it the independent adviser or the ethics adviser? I do not think the present Prime Minister has either of those at the moment; maybe I am wrong about that, but if he has, we have not heard much about it. Who is responsible for making sure that these people's advice is independent? Who enforces this?

When he comes to respond, my question for the noble Lord, Lord True, is this: who is actually in charge of deciding what the Prime Minister does and whether he or she responds, and of ensuring that action is taken? As my noble friend said in relation to the succession Bill a couple of weeks ago, it is all right if the Prime Minister is a good chap, or whatever the

[LORD BERKELEY]

female equivalent might be, but some Prime Ministers, and some monarchs, have been seen to go mad, or something has gone wrong, and we need to have a way of solving this problem, even when the final decision is alleged to be at the top level. That is why I have great hope in the new ideas from the noble Lord, Lord Hennessy—maybe they will solve the problem.

The Deputy Speaker (Baroness Barker) (LD): My Lords, we will try to re-establish a connection with the noble Lord, Lord Howarth of Newport.

2.42 pm

Lord Howarth of Newport (Lab) [V]: My Lords, the *Cabinet Manual* is a guide to the operation of government—its laws, rules, procedures and conventions—primarily for those working in the Government. I understand that, at the time of its preparation and publication in 2011, it was also intended to be a work of reference and an educational instrument, as my noble friend Lord Stansgate just suggested, for all who wished to understand how our system of parliamentary government is supposed to work. For all the difficulties that the noble Lord, Lord O'Donnell, drew to our attention, the description of conventions that it contains is as important as the description of legalities. It describes not only the mechanics but the proper ethos of government. It should be a covenant between the Cabinet and the people, against which the conduct of our Government can be judged.

However, if the *Cabinet Manual* is not kept up to date, it ceases to have this value. The then Cabinet Secretary, the noble Lord, Lord O'Donnell, stated in his foreword to the *Cabinet Manual* in 2011—as he reiterated in his oral evidence to the committee—that its content must not be static. I am extremely sad not to have been able to hear his speech just now because of the technical problems we had, but we are deeply indebted to him for his achievement in bringing the 2011 *Cabinet Manual* to its birth. The *Cabinet Manual* must evolve to take account of new legislation, constitutional change, and developing precedents, procedures and conventions. Much has changed since 2011, including Brexit, further devolution and the repeal of the Fixed-term Parliaments Act, yet we have had no new edition of the *Cabinet Manual*.

The noble Lord, Lord Sedwill, told the committee that work was in hand before September 2020 to draft a new edition while he was Cabinet Secretary, as my noble friends Lady Drake and Lady Warwick noted. Simon Case, his successor, has recognised its importance in articulating norms, standards and culture, and has acknowledged the need for an update of the *Cabinet Manual*.

The noble Lord, Lord True, whose personal understanding of and commitment to the proper principles of the constitution are exemplary, has told the Constitution Committee that the Government agree that the *Cabinet Manual* should periodically be updated and will publish an updated version before the end of this Parliament. However, the committee recommended that a draft should be published for extensive consultation no later than July 2022, and it is disappointing that this has not happened.

The recent chaos in Downing Street must have rendered it hard to produce a new version. That very chaos showed the need for the *Cabinet Manual* to be a living, current, familiar and respected account of constitutional propriety. Never was it more needed than in the period of serial abuse of the constitution by Prime Minister Boris Johnson. Mr Johnson has been powerfully arraigned by my friend the noble Lord, Lord Hennessy, and his co-author, Professor Andrew Blick, in their book *The Bonfire of the Decencies*. I strongly agree with the case they make there. My noble friend, as we all call him, spoke just now with restraint but powerfully in proposing the content of a Prime Minister's oath.

For me, the principal items on the constitutional charge-sheet include: abuse of the prerogative in the unlawful Prorogation of Parliament; contempt for the rule of law in the disparagement of judges, moves to weaken judicial review, denial of the necessary resources for the courts and access to justice, and the brazen declaration of the Government's intent to legislate in breach of international law; the dishonouring of the Government's commitment to the treaty embodying the Northern Ireland protocol; habitual discourtesy to the devolved Administrations and evasion of the Sewel convention; repeated inclusion of Henry VIII clauses in legislation; suborning the independence of the Electoral Commission; publicly blaming officials for matters for which Ministers are responsible; providing incorrect figures to Parliament; circulating untruths in respect of the Chris Pincher case; and Mr Johnson's repeated mendacity. These are all in blatant breach of Lord Nolan's seven principles of public life and of the precepts of the *Cabinet Manual*.

We cannot assume that because eventually Mr Johnson was expunged from No. 10 by Conservative MPs, the stable has been cleansed. He is said to be biding his time before seeking to return to Downing Street—fantasy, perhaps, but there is reported to be a sizeable cohort of incorrigible Conservative MPs who want him back as party leader and Prime Minister. Meanwhile, their lost leader, notwithstanding that he is a sitting MP, is touring the world making a quick fortune.

I want to believe well of our present Prime Minister. I accept that he was ambushed when he found himself taking part in a law-breaking social event at No. 10. Perhaps it was unavoidable that he reappointed to government so many fellow travellers in Mr Johnson's journey of constitutional abuse, but he should not have appointed to Cabinet some of the most egregious violators of the principles embodied in the *Cabinet Manual* and the Ministerial Code. It will be a fundamental test for Mr Sunak's leadership to show that he fully understands and respects the values that should inform the operation of our government.

The maintenance of the proper spirit of the constitution depends not only on checks and balances but on the personal values of those who exercise power within it. It would be no different if we were to have a written constitution, as we see instantly if we look at the USA, President Trump and the Republican Party. For our unwritten constitution to function as it should, it requires that the participants—politicians, officials, judges, political journalists, party activists and voters—

have an informed understanding of it and a moral commitment to it. The *Cabinet Manual*, in enabling that understanding, therefore needs both regular updating and vigorous publicity.

We are at a time of exceptional political disruption and dissonance, when many no longer find meaning and value in traditional institutions, significant numbers of young people are tempted to repudiate democracy itself, and populism and authoritarianism are beguiling. It behoves us to keep the storm-tossed ark of parliamentary democracy in good repair. A new *Cabinet Manual* can help to rehabilitate our constitution and our political culture.

2.49 pm

Lord Etherton (CB): I am very grateful for this 11th-hour opportunity to participate in this debate, initiated by the noble Baroness, Lady Drake. Much of considerable constitutional importance has occurred since the publication of the *Cabinet Manual* in October 2011, as has been referred to by many of those who have spoken today. It is therefore reassuring to know that there will be a revision to the code before the end of this Parliament. I am not a member of any committee that is likely to be consulted on any revision, so I wish to take this opportunity briefly to mention three matters that are not presently stated in the manual but which I suggest ought to be addressed in any revision.

The first two arise out of the two Gina Miller cases relating to Brexit. The second of those cases, concerning the lawfulness of the Prorogation of Parliament, made it clear that it is for the courts to determine whether in principle any exercise of a particular prerogative power by the Executive is or is not subject to the supervisory jurisdiction of the courts. It also confirmed that it is for the court to decide the limits of a lawful exercise of prerogative power.

The next point was anticipated by the noble Viscount, Lord Stansgate. In the first of the Miller cases, concerning the triggering of Article 50 initiating the departure of the UK from the EU, it was illustrated that it is for the courts to decide whether it is the Executive or Parliament which can exercise the prerogative power.

What those cases did not examine in any detail, but which marks the limits of outside control of parliamentary affairs and so is critical to the functioning of our parliamentary democracy, is the operation and effect of Article 9 of the Bill of Rights 1689. As your Lordships will be aware, that is the provision which stipulates that

“the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any ... place out of Parliament.”

This too should be mentioned in any revision of the code.

Finally, any revision of the code ought to provide the opportunity for describing what is good or bad legislation in our parliamentary democracy, including, for example, skeleton legislation and clauses. This is a well-canvassed and often-repeated concern of this House, most fully addressed, in the previous Session, in the 20th report of the Secondary Legislation Scrutiny Committee and the 12th Report of the Delegated Powers and Regulatory Reform Committee. Revision

of the code would provide an excellent opportunity to reach a consensus on this issue between government and Parliament.

2.52 pm

Lord Hacking (Lab): My Lords, I am speaking only through the helpfulness and alertness of the noble Viscount, Lord Younger, who noticed that I was attempting to speak. He said that if I did not make the right decisions in consulting the clerk and letting your Lordships know, I would not be allowed to stand now. I understand that I am now in the clear, particularly through the kindness of the noble Lord, Lord Wallace of Saltaire.

I have not studied this subject, but I have looked through passages in the *Cabinet Manual*. I looked in particular at paragraph 1.9, which deals with the problem of when the sovereign becomes incapacitated. If I remember my history right, only one monarch has been declared insane, with a regency then being set up. I think that was after King George III, when travelling in Windsor park, rested his carriage, got out and addressed one of the large oak trees as the King of Prussia. Thereafter, he was declared to be insane. However, he recovered from his insanity. I cannot find any provision in paragraph 1.9 or elsewhere in the manual about the processes that should be used when the sovereign recovers from his insanity. That is only a small measure.

Unfortunately, through a serious incapacity—being unable to walk more than five yards—I have been out of the House for three months. This is my first week back and this is the third excellent debate that I have listened to in your Lordships’ House. Since my period of incapacity, questions have been raised about our future. The big challenge for whoever replaces us is to provide intellect and intelligence in debate. This is the third debate I have heard this week, my first week back, which is in that category.

2.55 pm

Lord Wallace of Saltaire (LD): My Lords, I, too, start by welcoming the noble Lord, Lord Hennessy, back. It is tremendous to see him again. We have missed him greatly. I gather he was compared to Bagehot, not Dicey. I have also always doubted the value of Dicey as a constitutional expert since I first read his views on Irish home rule. They seemed to bias his entire approach to sovereignty, the rule of law and almost everything else. Unfortunately, he still takes rather too much credit for the values which some address to the idea of unified sovereignty.

I recall being one of those who in 1996 invited the then Peter Hennessy to give a lecture on how to form a coalition Government, just in case we needed to have some obiter dicta when it came to the 1997 election. Indeed, I looked in the *Cabinet Manual* again to see what it says about government formation because I note that the report says:

“it is in the processes of elections and the formation of government that the *Cabinet Manual* most often comes out and is used.”

That probably adds to the argument for wanting to update it in the coming period.

[LORD WALLACE OF SALTAIRE]

We may or may not be about to face an election that will not lead to an overall majority, but I think we are now clear that coalition does not lead to chaos and single-party government does not necessarily lead to stable government. We have had the chaos of single-party government over the course of the past year, and to move, perhaps, back to a coalition would at least mean that formal meetings would have to take place between both sides. We shall see.

There were a number of things that were not right in the coalition. Indeed, I remember an occasion when the Secretary of State of the department to which I was attached changed, and the new Conservative Secretary of State, who obviously had not quite understood what a coalition meant, said that he did not need to have ministerial meetings inside the department more than once every six weeks just before Commons Questions and appeared not to be at all fazed when I pointed out that I was there in the department partly to make sure that arguments between the two parties did not escalate to the quad. So, there were problems with the coalition, but it does suggest that stable government is one of the things that it produced.

I have just read the excellent review of Sebastian Payne's latest book, on the rise and fall of Boris Johnson, in the *House* magazine, by my good friend, Keith Simpson, a stolid Conservative MP. He remarks on how shocked he was by the degree of chaos that existed in No. 10 and, in the heart of the chaos and the atmosphere, the belief that conventional rules did not apply to him. I have on my study table *The Bonfire of the Decencies* to read over Christmas, and I have no doubt that that will have more to say on the same subject.

We may now hope that, with the Sunak Government, the chaos will subside and we will perhaps return to the constitutional government which, in his accession oath, the King swore to uphold. One of the things that pained me over the past 18 months was to have to witness the noble Lord, Lord True, defending some of the chaotic and convention-bucking behaviour of the Government, which I suppose he felt he had to do. I also welcome him back to constitutional conservatism, and I am sure that he will feel much more comfortable in that position.

The UK is a parliamentary democracy, as the *Cabinet Manual* sets out. It is not a populist democracy in which the Prime Minister owes his accountability only to the people—whoever they may be. Government is a complex process in which dialogue with other parties and scrutiny by both Houses of Parliament, and by others, is a necessary part. That is part of the complexity in which we live. We know the damage that the populist surge has done to our convention-based parliamentary democracy, and the *Cabinet Manual*, as well as the Ministerial Code and the associated codes, are part of what has begun to set out those conventions rather more clearly than they were.

Although the noble Baroness, Lady Neville-Rolfe, has now gone, I cannot resist saying that I could not find anywhere in the *Cabinet Manual* a conventional principle that was quoted at me by the Cabinet Office some weeks ago as a reason why I could not put down

an amendment—the principle of the indivisibility of the Crown. It was not a convention I had heard of before. The noble Lord, Lord Lisvane, assured me that it existed in the 17th century, but I am not sure that it needs to be referred to any longer now.

There is a range of things which we need to reassert as regards conventional behaviour, and we need to make sure that they are agreed among the parties. As the report says, it is important that this, as an operating manual,

“has cross-party recognition and political legitimacy.”

So consultation, as the *Cabinet Manual* is revised, is also an important point.

We recognise that, if there is a change of Government, in no time at all we shall have the noble Lord, Lord Strathclyde, leaping to his feet to tell us that they are behaving unconstitutionally, as he used to do. But he will need to be able to quote sources in order to be able to say that they are behaving unconstitutionally. The *Cabinet Manual* is, for that purpose, extremely important.

The noble Lord, Lord Howarth, mentioned many of the things that have gone wrong: the relations between Ministers and civil servants, which are worse than I can ever remember since I started my career; bullying and harassment, and low morale in the Civil Service; and breaches of conventions and codes in public appointments. That all now needs to be addressed. The noble Lord, Lord True, shakes his head but I hope he agrees that we need to make sure that the standards are maintained, even if he wishes to insist—I understand why he might wish to try to do so—that these standards have not been breached as badly as we all consider them to have been.

There seem to be some incremental changes which we could pursue. Training for Ministers is desirable. The Institute for Government is developing some, and training for the Opposition and before an election is clearly an important part of that. A reduction in ministerial churn is vitally important. One of the things that is most unfortunate about the culture of government is that ministerial reshuffles have now become an aspect of party management, so that many Ministers are not in office for more than about nine months at a time, when we all know it takes 18 months to two years to master a subject when you are in office. Let us hope that ministerial churn will now be resisted.

I very much appreciate the suggestion of a prime ministerial oath, and I hope that that will be pursued further. A new Parliament will need to look again at the whole concept of the prerogative and how far prerogative power now extends. There were a number of Commons Select Committee reports on that in the late 2008-09 period, and it is time for us to go back to that.

I hope that noble Lords will be looking at the Private Member's Bill in the name of the noble Lord, Lord Anderson, on public service, ethics and integrity. It is unfortunately rather low down the list of Private Members' Bills at the moment, but it sets out a process whereby we would make the independent adviser to the Prime Minister, the House of Lords Appointments Commission and the Advisory Committee on Business Appointments more statutory and firm in their basis. Those are incremental changes that we could make,

but let us start with a clear commitment that the *Cabinet Manual* will be revised before the end of 2024, that there will be adequate consultation with committees in both Houses and with the Opposition, and that we are returning to constitutional government.

3.05 pm

Lord Collins of Highbury (Lab): My Lords, I too thank the committee for what I was going to call its timely report, but of course it has been published for some time now. I am extremely grateful to my noble friend Lady Drake for her excellent introduction to what is a relatively short and concise report. Its recommendations are pretty concise too. The fundamental question to which I hope the Minister will be able to reply is the one on timetable and consultation; he has already conceded that there will be a revision.

As the noble Lord, Lord O'Donnell, correctly said, one of the problems is this "from time to time revision". But we now have the relevant technology, and in the previous debate we talked about how technology can be used for efficient government. One way to do that, as it is a manual and not a code, would be to revise it on a weekly basis, which could be done. There is no need for a delay, especially as it does not need the sort of approval that a code might need.

As the noble Lord, Lord Hennessy, said, the manual is a survey map of existing codes and laws. I too welcome back the noble Lord; I am pleased to see him here. One of his excellent skills was being able to sit down with me and make sure I gave him all the secret information I could from my conversations in the party and within politics; he is very good at that.

We have talked about the connections of codes, the Nolan principles and why they were developed, and where boundaries are drawn. I was struck by the reference made by the noble Lord, Lord Hennessy, to "good chaps" government. As a historian, where do you learn most about what happened? I do not think you learn from codes, laws and manuals. As the noble Lord knows, we learn the most from the published diaries of politicians. I have mentioned on previous occasions that I am currently ploughing my way through three volumes of Chips Channon's diaries. If anyone wants to know about hypocrisy in Parliament and among politicians, they should certainly read that. Having failed to do so on previous occasions, I pay tribute to Simon Heffer, who has done an amazing job of editing those diaries, making sure that for all the nasty references there are good footnotes. One amazing thing is that I have been able to speak to many noble Lords in this House about what was said about their families.

It comes back to the fact that our system of government has become far more transparent, and the transparency that we now have places a bigger obligation on us to abide by codes of practice. In the past, the things that Chips Channon talked about would never have been published, especially as most of the media that people read at that time was controlled by six of the politicians who were in this House. It is an amazing thing that we now have to face up to; that transparency places an obligation on us all.

I like the idea the noble Lord, Lord Hennessy, had for an oath. We would expect every Prime Minister to abide by certain standards—it is a given—especially the Nolan principles. An oath places greater transparency on the person; the public would know that certain behaviour is not acceptable and that that person is breaking it. One of the issues of a written manual is the point that the noble Lord, Lord O'Donnell, mentioned: when does a precedent become a convention? That is a difficult one. I was listening to a Radio 4 programme "Archive on 4" about when an original phrase becomes a cliché. The issue is when it is repeated, and that is what we have to expect. Some of the best speeches are now clichés if they are repeated often enough.

The noble Lord, Lord Wallace, talked about stable government and coalitions. In Chips Channon's diaries you learn a lot about the coalitions in our political process, which are not coalitions formed from different parties. The biggest coalitions we have in our political system are political parties themselves—which is why we have many of the problems. One of the tensions in our parliamentary democracy—I suppose I am entitled to say this—is that the political parties have to learn the lesson about the temptation to engage with their party memberships on how they elect their leaders. It imposes all kinds of problems on our parliamentary democracy in terms of collective responsibility. I said in an earlier debate that I was old-fashioned new Labour. Some things we have to learn from. I do not suppose that the Conservative Party will be too tempted to turn to its party membership again to elect a Prime Minister. Of course, that is what we are doing when we elect leaders of our political parties.

To return to the point made by the noble Lord, Lord Wallace, on coalitions, one of the problems with coalitions is that with a single-party coalition at least we know who takes responsibility when things go wrong but with multi-party coalitions parties never want to take responsibility when things go wrong. I certainly found that with the Liberal Democrats, but I am sure the Minister will remind us of that.

Lord Wallace of Saltaire (LD): Yes, certainly.

Lord Collins of Highbury (Lab): In conclusion, this is a good, straightforward report, which requires a straightforward response. One thing about the standards of Prime Ministers is the question of the independent ethics adviser, which I know the Minister has responded to. In a previous debate, we had a long debate with his ministerial colleague, the noble Baroness, Lady Neville-Rolfe, about the problems of recruitment in the public sector. This is certainly one post which seems to have a big problem with recruitment. Why has it taken so long? It is a very important part of the range of codes and responsibilities. Issues are now not being addressed by an ethics adviser—who should have been appointed—but we are getting to the stage of employing casual labour, as it were, to do the job. If there is a specific complaint, they bring in someone to deal with it. Surely that cannot be right. We need somebody who can be properly held accountable. I hope that the Minister will respond not only on the timetable on the

[LORD COLLINS OF HIGHBURY]

Cabinet Manual but on the timetable for appointing an ethics adviser to the Prime Minister. We have waited too long for that.

3.14 pm

The Lord Privy Seal (Lord True) (Con): My Lords, it has been a fascinating debate. I am glad—well, not glad—that I gave the elbow to my noble friend Lady Neville-Rolfe. I was going to relieve her from doing two debates in succession, but then I find that the noble Lords, Lord Collins and Lord Wallace, are such Stakhanovites and polymaths that they have been doing continuous debates.

I start by saying that the *Cabinet Manual* is a document of fundamental importance and the report by the Constitution Committee is one of significance and importance, which this Government take extremely seriously.

I will say one other thing in preamble. I think it was the noble Lord, Lord O'Donnell, who said that this had to be shared across all parties. The noble Lord, Lord Wallace, was also very strong on that point, rightly. These are principles that we should all share and, in a sense, politics should come into it less. I was particularly fascinated by the speech of my noble friend Lord Howell of Guildford, who, from a perspective of enormous experience, spoke of some of the difficulties in codifying matters and some of the problems that can arise from that.

There is this idea that government of good chaps, chapesses or whatever they are has gone and that this era can never return. In my personal belief, most people in Parliament, whatever we say about each other, stand on their honour and are honourable people. Whatever defences, additions or props we put into place, the principle of being good and honourable should not be gone and forgotten. It remains.

I remind noble Lords, some of whom sometimes think there was a Garden of Eden before my right honourable friend Mr Johnson became Prime Minister, that there was a serpent in the Garden of Eden. My Christmas reading will include the latest biography of Sir Charles Dilke, as I must remind the noble Lord, Lord Wallace.

Let me get on to the matter at hand. A number of specific suggestions and points that should be taken up were made in this debate. The speeches of the noble Viscount, Lord Stansgate, and the noble and learned Lord, Lord Etherton, raised some specific issues. Detailed points were made and that has been one of the more precise values of this debate. Given the variety and number of specific suggestions made, today and in various committee reports since the manual was last published—although I know the House appreciates that time is needed to consider the right approach on each detail of the manual, outside the normal convention that one may sometimes write in response to noble Lords—I assure the House that the officials responsible will review the debate in *Hansard* and consider the specific suggestions put forward to inform the drafting approach and content.

I thank the noble Baroness, Lady Drake, for tabling this Motion in her role as chair of the Constitution Committee. I also extend my gratitude to the other

members and clerks of that committee for the report, and to the former chair of the committee, the noble Baroness, Lady Taylor of Bolton, for guiding this work. It is clear, concise and comprehensive, and the evidence-taking was also fascinating and brought insightful thoughts to bear on the problem and contents of the *Cabinet Manual*.

I repeat what I said at the start: it is an important document for Ministers and officials, and the single reference document that sets out the rules, conventions and practice that affect the operation of government. In opening the debate, brilliantly and lucidly, the noble Baroness, Lady Drake, said it is a work of reference and therein lies its value. That was the general feeling of all who spoke.

I greatly commend the noble Lord, Lord O'Donnell, for enduring his tenure as Cabinet Secretary and for leading the charge. As Geoffrey Chaucer was to English poetry, so the noble Lord is that process. He himself said that it is primarily a guide for those working in government. In his first preface, he talked about “recording the current position rather than driving change”.

However, the current position today is not the position that was current in 2011; therefore, an update is clearly needed. The Government have committed to producing an update of the *Cabinet Manual* before the end of the Parliament—I am conscious that some of that was in either my pen or my words, or probably both—and work is ongoing to achieve that objective.

I apologise for the delay in some respects; but, in other respects, there has been a very great deal of change, as noble Lords have said, including very fast change in recent times. There was an aspiration, as has been referred to in the debate, to share updates with the Public Administration and Constitutional Affairs Committee in the other place before the end of June. Since then, there have been two changes in Prime Minister and a demise of the Crown, followed by a period of national mourning, which Cabinet Office officials played a key role in co-ordinating. So there is some pretext for the delay, but I repeat what the Government have said: we will provide an update to the Constitution Committee in the new year and we will provide further details on timelines. Work is going on to identify what needs to be done and where updates need to be. There will be very small amendments on some chapters, whereas some other chapters, as has been referred to, will require major changes and indeed total rewriting on subjects such as the duration of Parliament, relations with the EU and so on.

The original intention was to update routinely and periodically, as the noble Lord, Lord O'Donnell, reminded us. There is a case for doing so. Over time, it has historically been a matter for the Prime Minister of the day, acting on the advice of officials, to judge when best to undertake a change. So I am loath to commit future Governments to a decision on their approach; that would be a decision for the Government of the day when assessing their priorities. However, this Government will produce an update of the manual according to timelines which, I have said, will be shared shortly.

In November, my right honourable friend the Chancellor of the Duchy of Lancaster wrote to the chair of PACAC in the other place to confirm that the Government will

provide an update on that work to the Select Committee in 2023. That will include detailed arrangements on consultation, because I agree with noble Lords that there has to be some opportunity for consultation on such an important document. I can tell your Lordships that it is the Government's intention to ensure that a similar update is provided to the Constitution Committee in this House so that it is aware of the upcoming stages and timings of that very important project.

The noble Baroness, Lady Drake, the noble Lords, Lord Wallace and Lord Collins, and others asked about the extent to which the Government plan to consult Parliament on the draft that is being produced. Obviously, there was a consultation on the first edition. I mentioned in correspondence with the noble Baroness, Lady Drake, and it is worth repeating today, that there are differences between the project in 2010-11 and today. One was *ab initio*—sorry, I am not allowed to use Latin in Parliament any more; one was starting off—and this one is updating. Any engagement on the updates will reflect the extent to which significant changes are required or whether the updates are more limited in nature. I very much take the point and will take it back to colleagues. The Government will also clarify this, including which sections of the manual will be shared in draft form, in the new year.

The Government share the view of the Cabinet Secretaries who gave evidence to the Constitution Committee for this report that Parliament should be consulted, although not invited to endorse the updates. The Government also recognise the value of developing a degree of consensus—a word that the noble Lord, Lord Wallace, referred to—in the language used in the manual, so that it continues to be an accepted and authoritative source on conventions and practices of government that should be widely shared.

The work to update the manual began in February 2022, when I confirmed to the Constitution Committee that an update would be published before the end of this Parliament. Officials then undertook a scoping exercise to determine where the manual had become out of date, as well as drafting initial updates to address factual inaccuracies. As I implied earlier, the updates will clearly be more substantive in some areas than others—for example, chapter 2 on government formation, chapter 8 on devolution and chapter 9 on relations with the EU and other institutions. A number of government departments and bodies have been involved in identifying and drafting updates. As I said, I hope we will be able to issue more information on progress shortly.

I was asked about the duty of Ministers and Prime Ministers to uphold the manual. The duties on Ministers are laid in the Ministerial Code, which is reflected in the manual. It is something of a circular argument to take one, which is an advisory and descriptive document, and make that the source of discipline. The duty on Ministers flows from the Ministerial Code; the manual is a guidance document rather than a code. When the first edition was published, it was endorsed by the Cabinet and the then Prime Minister made it clear that he would expect everyone working in government to be mindful of the guidance it contains. This remains the case.

The noble Lord, Lord Berkeley, and others inquired about the role the Prime Minister has in the manual. As a document owned by the Executive, the next edition of the manual will be approved by the Prime Minister before it is published. The noble Lord, Lord Berkeley, went to wider questions about the accountability of the Prime Minister, also touched on in a slightly more pacific vein by the noble Lord, Lord Hennessy of Nympsfield. I also am so delighted to see him in his place.

I rebuke nobody, but in our zeal to condemn Mr Johnson, who I still count as a friend, we should sometimes remember—we talk of convention—section 4.50 of the *Companion*, which says that no MP should be referred to

“for the purpose of criticism of a personal, rather than a political, nature.”

Many noble Lords will feel that there is huge scope for criticising Mr Johnson politically, but in the context of how we behave we sometimes need to think very carefully about those words. By the way, I totally acquit the noble Lord, Lord Wallace, on this point today.

The noble Lord, Lord Hennessy of Nympsfield, raised the idea of an oath. I will not give an extemporary response on this because I might get into trouble, but it is initially unclear to me that taking an oath in itself would go beyond the high levels of accountability—to reply to the noble Lord, Lord Berkeley—that the Prime Minister has. He is accountable to Parliament and the electorate, and can be brought down by Parliament and the electorate. Like any other of us, the Prime Minister also takes an oath to bear faithful and true allegiance to the monarch, and therein lies a high duty incumbent on the Prime Minister, above all, to act properly as the sovereign's principal adviser.

It was suggested that the *Cabinet Manual* might be placed on a statutory footing, but only in passing, I think, in one intervention, which I have forgotten to note—I apologise. The Government do not believe that the manual should be placed on a statutory basis for the reasons that go along with the point that it is not the source of discipline. Also, we are, for the reasons asserted by my noble friend Lord Howell of Guildford, nervous about moving towards a codification of principles.

I thought that a very important strand referred to by the noble Viscount, Lord Stansgate, and the noble Baronesses, Lady Warwick and Lady Drake, is that the manual has an important role to play in being a useful and informative guide for the public. That includes schools, as some noble Lords said. I believe, as the conclusion to your Lordships' committee's report put it, that documents such as the *Cabinet Manual* are “crucial to the wider national wellbeing as well as to the public's trust in government.”

I agree with those sentiments, which were taken up by others. The manual can and should have a role in educating the public on the operation of government. The Government have noted the idea of producing a more accessible online version and understand the value of having updates available promptly online, while also producing a formal update as a new edition. We are committed to ensuring that it should be accessible to a wider public and that it should be drafted with the

[LORD TRUE]

wider public in mind as a reader. The Government will therefore consider how best to make the manual acceptable to all.

I was asked by the noble Baroness about the devolved legislatures' role in reviewing the manual. It was a recommendation in your Lordships' committee's report that the Government should formally consult the relevant committees in the devolved legislatures, as well as Parliament, when they produce an update. I know that the noble Baroness, Lady Drake, raised that matter in a letter to the Prime Minister earlier this year; indeed, she referred to it in her excellent speech. Much of the *Cabinet Manual* is on matters specific to the UK Government and on reserved matters. It is a UK document signed off by UK Ministers accountable to the UK Parliament. We always seek to work constructively with the devolved Administrations, but how the Scottish Government, the Senedd and Northern Ireland Assembly—the devolved Governments—will be engaged in the process will be taken nearer the time on the basis of the nature of the proposed changes in particular chapters.

It is time that I closed. I apologise for replying at some length, but that should reflect the importance of this document—it is an important document. If I am allowed to venture an opinion, since I have been a Minister only for a couple of years, I think it is a great pity that it was not revised before. However, I have every confidence because I have now served under three Prime Ministers, and they have all been interested in getting this job done. We will get it done.

This document is important, and I hope that its successor will be equally important in describing our country's complex and rich constitutional arrangements for the benefit of all. It should not be treated as an optional extra that an Executive might ignore. I agree with the assessment of the Constitution Committee. The manual is a central guide for the operation of government and the Government are committed to ensuring that that remains the case for the next decade. We have been, and remain, committed to producing an updated edition before the end of this Parliament, but I hope to have some updates in the new year on timelines, which may be able to improve on that.

I thank again all those involved in the drafting of your Lordships' committee's report, and in the arrangement of this debate. I have seven seconds left—but can I briefly say as Leader that I am conscious that Select Committees have often found it difficult to get debates on the Floor of the House? I am glad that we are debating three today, although I am sorry that it is a Friday, but I hope that with the usual channels we can improve on that. I am sorry about it.

I get my seven seconds back now by saying that I hope that the Government will be able to cement the manual's place in future as a useful guide for Ministers,

officials and the general public. That is our common aspiration, and I believe the common aspiration of all of us across all parties who have spoken in this debate.

3.35 pm

Baroness Drake (Lab): I thank the Minister for what I believe is a positive reply. I welcome his acknowledgement of the importance of the manual and that he takes the committee's report seriously. I agree with him that, in revising the manual, all the parties should seek to embrace the principles that we all share rather than having a narrower political debate. It was interesting that my noble friend Lady Warwick referred to the committee's report as having understandable constraints by delegating to footnotes particular illustrations of instances of behaviour. It is in the nature of the Constitution Committee to be restrained or constrained so that, when we bring constitutional issues to this House to consider, it has more authority in doing so.

I welcome the fact that we will get an update in the new year. Perhaps the issue of the devolved legislatures is something for further discussion, but I thank the Minister and all noble Lords who have contributed today. It was an excellent debate, and I have certainly developed my thinking on the basis of the contributions. I was particularly pleased to see the noble Lord, Lord Hennessy, in his place, because I am aware of the personal barriers that he has had to manage to be here. His wit and wisdom are so valued, and I keep coming across ever greater numbers of senior civil servants who at some point were tutored by him, which is sometimes reflected by what they say. We have a lot to thank him for in terms of civil servants, from what I hear.

What was clear that came across in the debate today was a common view that the *Cabinet Manual* and the code are essential for upholding the principles of good governance, but they are inseparable from a culture whereby people want to uphold the good and right principles. They have to go hand in hand. Although I know that the noble Lord, Lord Howell, has a sense of pessimism about standards, I tend to be with the noble Lord, Lord True. There are lots of good people, and sometimes the challenge is to help them to behave as good people. That is a real issue before us.

I am conscious of the time, and shall not cover all my points. I thank the Minister and everyone who has contributed. I am sure that the Constitution Committee will be pleased to further engage and will be pleased with the debate and its content.

Motion agreed.

House adjourned at 3.38 pm.