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PARLIAMENTARY DEBATES  
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# HOUSE OF LORDS

## OFFICIAL REPORT

*ORDER OF BUSINESS*

Death of a Former Member: Lord Lawson of Blaby .....	455
Questions	
Music Industry .....	455
West Papua: UN Access .....	459
Azerbaijan: Khojaly Massacre .....	461
People of African Descent in the United Kingdom .....	464
Protection from Redundancy (Pregnancy and Family Leave) Bill	
<i>Order of Commitment</i> .....	467
Energy Bill [HL]	
<i>Report (2nd Day)</i> .....	468
Junior Doctors' Strikes	
<i>Commons Urgent Question</i> .....	540
<hr/>	
Grand Committee	
Public Transport in Towns and Cities	
<i>Motion to Take Note</i> .....	GC 147
The Ties that Bind: Citizenship and Civic Engagement in the 21st Century	
Follow-Up Report	
<i>Motion to Take Note</i> .....	GC 176

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

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

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# House of Lords

Monday 17 April 2023

2.30 pm

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

## Oaths and Affirmations

2.35 pm

*Lord Fink took the oath and Lord Livermore made the solemn affirmation.*

## Death of a Former Member: Lord Lawson of Blaby *Announcement*

2.36 pm

**The Lord Speaker (Lord McFall of Alcluth):** My Lords, I regret to inform the House of the death of the noble Lord, Lord Lawson of Blaby, on 3 April. On behalf of the House, I extend our condolences to the noble Lord's family and friends.

## Music Industry *Question*

2.37 pm

*Asked by Lord Black of Brentwood*

To ask His Majesty's Government what assessment they have made of the health of the music industry in England.

**Lord Black of Brentwood (Con):** In begging leave to ask the Question standing in my name on the Order Paper, I declare my interest as chairman of the Royal College of Music.

**The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con):** My Lords, the music industry is a key national asset, contributing £4 billion to our economy in 2021, fuelling tens of thousands of jobs and projecting our soft power on the global stage. We are working with the industry to respond to the difficulties that some aspects of the sector continue to face following the pandemic, including rising energy costs, with which we have supported businesses through the £18 billion energy bill relief scheme. We will continue to work closely with the industry to understand emerging challenges and identify ways we can support it.

**Lord Black of Brentwood (Con):** My Lords, I thank my noble friend for that Answer, but is the grim reality not that music faces an existential crisis? The ENO and Britten Sinfonia are in huge difficulties following Arts Council England's cuts, and BBC orchestras are under long-term threat. GCSE music entry is in free fall and music A-level is now the preserve of well-off and independent schools. One grass-roots music venue is closing each week and the number of music hubs is to be cut by 50%. There is an astonishing failure to recruit enough music teachers and, most cruelly of all,

EU touring is now torturously difficult, with bookings for hard-pressed UK musicians in EU festivals down a staggering 45% since the disaster of the Brexit withdrawal agreement. My question is simple: why do the Government seem so determined to destroy classical music in the UK?

**Lord Parkinson of Whitley Bay (Con):** I must disagree with my noble friend. The Arts Council's portfolio, which has now begun, includes around £21 million per annum of investment in music. That is £2 million more than in the previous round. Nearly 80% of the Arts Council's investment in music is in classical music and nearly 40% is in opera. My noble friend mentioned a number of things that time does not allow me to touch on, but I welcome the BBC's announcement that it will review its decision in relation to the BBC Singers and the BBC orchestras. He may have seen the announcement from the Arts Council and English National Opera that they have agreed £11.46 million of funding for the first year, and the Arts Council has set a budget of £24 million of investment for the second two years, inviting the company to make an application to it for that amount. The Foreign Secretary raised touring at the EU-UK Partnership Council, as we continue to raise this at the highest levels with the EU.

**Lord Berkeley of Knighton (CB):** First, does the Minister understand the concern of the music industry, in that in state schools, for example, there are no peripatetic music teachers? That means that poor pupils do not get music lessons, which become the preserve of the rich. There is a follow-on from this: our orchestras will not be replenished by young people—young students. Secondly, on the problems with touring in Europe, Boris Johnson assured us that such problems would not happen. The noble Lord, Lord Frost, has admitted that the Government got it wrong, not just with visas but where cabotage comes in: you might get a visa but arrive with no instruments. When will the Government get it right?

**Lord Parkinson of Whitley Bay (Con):** I agree with the noble Lord about the importance of ensuring that pupils in the state sector have opportunities. I myself benefited from a peripatetic music teacher at school. Our national plan for music education is ensuring that high-quality music education is available everywhere. We are working with the Department for Education on the cultural education plan; the noble Baroness, Lady Bull, is very kindly helping to ensure that we cast the net as widely as possible to capture best practice and are ambitious. On the creative industries sector vision, we are working to ensure that the talent pipelines are there so that we can continue to have a globally competitive music industry of which we can be proud; it enriches our lives in so many ways. I have pointed to the work that the Foreign Secretary has taken forward with the EU-UK Partnership Council in relation to touring.

**Lord Addington (LD):** My Lords, are the Government are going to do some work on making touring easier in Europe? I have heard there is also a threat that touring will become more difficult in the States. When can we expect some positive results from these talks and efforts?

**Lord Parkinson of Whitley Bay (Con):** My Lords, 23 of the 27 member states of the EU already offer visa- and work permit-free routes for touring artists from the UK. We have seen progress on portable musical instruments being transported cost-free without an ATA carnet and have had confirmation that splitter vans are not subject to the TCA limits on cabotage and cross trade. We continue to speak to the four remaining member states and encourage them to have the same generous rules that we have in the UK to welcome musicians from all over the world. As I have said, the Foreign Secretary continues to raise this at the highest level.

**Lord Bassam of Brighton (Lab):** My Lords, the Minister referenced high energy costs. The noble Lord, Lord Black, spoke more widely of some of the threats to the music industry. Grass-roots music venues are closing at the rate of one a week, as the noble Lord rightly said. Without these venues, emerging artists will struggle to showcase their talents and grow the fanbase required to move to bigger venues. The Minister will know that many sports governing bodies prioritise grass-roots investment, while non-music performing arts enjoy various forms of public subsidy. Some theatres are able to charge a small restoration levy. Music is so important to our personal, communal and national shared experience. What other, more imaginative options than the Minister has given us today are his department exploring to ensure that smaller venues can flourish instead of being lost for good?

**Lord Parkinson of Whitley Bay (Con):** The noble Lord is right to raise this. I have pointed to the £18 billion energy bill relief scheme and the energy bill discount scheme, which has succeeded it. The Music Venue Trust has been raising the issue of small grass-roots venues. The Creative Industries Minister, Julia Lopez, met the trust last month to discuss its proposals for a levy such as the noble Lord outlined. I am also happy to say that on the trust's other initiative, Own Our Venues, the Arts Council has contributed £500,000 of public funding towards this community project to purchase at-risk venues and rent them back to the owners as benevolent landlords. We look to creative solutions to these problems.

**Lord Vaizey of Didcot (Con):** My Lords, I commend the national plan for music education produced by my noble friend Lady Fleet. It truly was a very important intervention for music education in schools. With the Prime Minister talking today about the importance of arts education, it occurred to me: what on earth happened to the arts premium that was promised in the 2019 Conservative manifesto?

**Lord Parkinson of Whitley Bay (Con):** My noble friend is right to point to the brilliant work of our noble friend Lady Fleet on the national plan for music education. She and many others remind us that the arts premium was a commitment in our manifesto. Of course, the pandemic has meant that schools and teachers have had to focus on the lost teaching hours that inevitably occurred, but I continue to make representations to the Department for Education that we should be returning to that commitment as soon as

possible, not least through our work on the cultural education plan, which is looking at opportunities in education all round.

**The Earl of Clancarty (CB):** My Lords, is the Minister aware that Brexit problems facing musicians are not just about British musicians touring but about musicians from Europe coming into the UK? Music agents say that musicians are being turned away at the border on a regular basis, the latest casualty being the German band Trigger Cut, which tried to use the PPE route, which, with a letter of introduction, should have been straightforward. Will the Minister look at this and other such incidents, which can only damage our reputation as a welcoming country for artists, both in Europe and worldwide?

**Lord Parkinson of Whitley Bay (Con):** The permitted paid engagement exemption route allows artists to tour the UK for up to a month without a visa, but only if they do not undertake paid work that is unrelated to their main overseas job or area of expertise. Obviously, all visa policy is a matter for the Home Office, but I regularly take up cases on behalf of the sector with colleagues at the Home Office, and I am always happy to hear of more examples that I can follow up on.

**Lord Watts (Lab):** Is it not the case that the creative industries are withering on the vine under this Government? We need the Government to set up a body with the Treasury, the department of trade and the culture department to come up with a package that can support the creative industries, which are one of the most successful industries in this country.

**Lord Parkinson of Whitley Bay (Con):** Indeed they are, and that is why colleagues in the Treasury have identified the creative industries as one of five key growth areas for our economy. The creative industries were growing twice as quickly as the rest of the economy pre pandemic and we want to support their further growth. That is why the work that we are taking forward with the creative industries sector vision is so important to set them up for the future and why the tax relief extension for theatres, orchestras, museums and galleries that was announced in the Budget is just one example of the way in which we continue to support them now.

**Lord Cormack (Con):** My Lords, one had only to watch BBC Four last night to realise that the BBC depends for quality programmes as much on music as music depends upon the BBC. Will the Minister please speak to the governors of the BBC and say that the reprieve for the BBC Singers was very welcome, but it is not a reprieve that we want, it is their permanence?

**Lord Parkinson of Whitley Bay (Con):** While my noble friend was watching BBC Four, I was listening to Radio 2, where one of the BBC orchestras was playing from Great Yarmouth—most enjoyably. Of course, the BBC is operationally independent from the Government. It is up to it to decide, but we welcome the decision to look at this again. It, like us, will have heard the strong views from licence fee payers across

the country. The BBC has a clear mission set out in the royal charter to deliver for licence fee payers and we look forward to it doing that.

## West Papua: UN Access *Question*

2.48 pm

*Asked by Lord Harries of Pentregarth*

To ask His Majesty's Government what progress has been made in obtaining access to West Papua for the United Nations' High Commissioner for Human Rights.

**The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con):** My Lords, the United Kingdom welcomes recent engagement between Indonesia and the UN, as part of Indonesia's universal periodic review in November 2022. We continue to support a visit by the United Nations High Commissioner for Human Rights to the region of Papua. We recognise that a significant amount of time has passed since the visit was first proposed, but we hope that both parties can come together to agree dates very soon.

**Lord Harries of Pentregarth (CB):** I thank the Minister for his Answer. He mentioned the universal periodic review of Indonesia. He will know that, at that review, a number of major countries, including the United States, Australia and Canada, called for an intervention from the UN in Indonesia and an immediate visit by the UN High Commissioner for Human Rights. It is not at all clear that the United Kingdom was among those supporting that call. Perhaps the Minister will be able to enlighten us.

**Lord Ahmad of Wimbledon (Con):** I hope the Answer I have given in the House today reassures the noble and right reverend Lord that we support an early visit. I am cognisant that this visit was first proposed under High Commissioner Zeid, who has since been succeeded by High Commissioner Bachelet and subsequently by High Commissioner Türk. The visit has been pending for a long time, and it is important that it takes place at the earliest opportunity.

**Lord Lexden (Con):** Is it not clear that this small country is suffering grievously under a colonial oppressor, Indonesia, which is busily exploiting the country's rich mineral resources and extensive forests in its own interests? Will the Government do all in their power, in conjunction with Commonwealth partners in the region, to get the UN to act and to act decisively?

**Lord Ahmad of Wimbledon (Con):** My Lords, what is important is that we highlight the human rights issues as they arise, as we do with key partners. Ultimately, I agree with my noble friend that we need the UN, and the next step is very much for the high commissioner to undertake this important visit.

**Lord Kennedy of Southwark (Lab Co-op):** My Lords, it is over a year since the UN special rapporteur's allegations of extrajudicial killings, enforced disappearances, and the forced displacement of thousands of indigenous Papuans. Have the Minister, his ministerial colleagues or our ambassador in Jakarta made representations to their Indonesian counterparts about the contents of the report?

**Lord Ahmad of Wimbledon (Con):** My Lords, I assure the noble Lord that we engage with them quite regularly. We recently had a visit from our team on the ground in Papua. We use our bilateral engagement, which is very strong with the Indonesian Government, to raise issues, including the situation in Papua and a broader range of human rights issues.

**Lord Hannay of Chiswick (CB):** My Lords, could the Minister go a little further to explain why the UK does not seem to have been part of that group of eight countries that pressed for an early visit by the High Commissioner for Human Rights? It is surely reasonable to ask a democratic country such as Indonesia to admit the high commissioner to look into abuses of human rights. That is what it should do, and I hope that we will press that strongly.

**Lord Ahmad of Wimbledon (Con):** My Lords, that is exactly what we are doing. As I indicated in one of my earlier responses, the visit was first proposed in 2018; I remember having a conversation about it with the then High Commissioner for Human Rights. It is important that such a visit goes ahead, and I assure the noble Lord of our full support for it.

**Lord Purvis of Tweed (LD):** My Lords, human rights concerns were rightly highlighted by the Foreign, Commonwealth and Development Office's human rights report published last autumn for 2021. It made a specific point of highlighting the UK Government's policy of seeking equitable and fair development within Papua and West Papua. However, in the Government's strategic partnership road map for Indonesia published last year, there is reference only to terrorism in Papua and no reference to any equitable development or to human rights. What is the point of the Foreign Office highlighting human rights concerns if it does nothing about them in its negotiations with the country in question?

**Lord Ahmad of Wimbledon (Con):** My Lords, the noble Lord understates the importance of the human rights report, which I am very proud that the Foreign, Commonwealth and Development Office continues to produce. It is focused not just on those countries with the worst records when it comes to human rights. Importantly, a condition in that report is where we can bring influence. As I said earlier, Indonesia is an important bilateral and regional partner with which we engage widely on a range of issues of peace, conflict and stability in and across the region; it is a key partner. In all our meetings, we raise human rights in the broad range of issues, and we are seeing some progress in Indonesia, including on freedom of religion or belief.

## Azerbaijan: Khojaly Massacre Question

2.53 pm

*Asked by Lord Flight*

To ask His Majesty's Government what assessment they made, if any, of the impact of the Khojaly massacre in 1992 in respect of the recent hostilities between Armenia and Azerbaijan; and what steps they took, if any, to send condolences to the people of Azerbaijan on the anniversary of the massacre on 26 February.

**The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con):** My Lords, the events of 1992 were a tragic episode in the history of the Azerbaijani people and were rightly condemned by the Government of the day. Our ambassador to Azerbaijan laid a wreath at the memorial in Baku on 26 February as a mark of our condolences on the loss of life. We have made no formal assessment of the Khojaly massacre in the context of recent hostilities.

**Lord Flight (Con):** My Lords, the objective of this Question is to encourage the UK Government to go beyond issuing a formal message of condolences and to take appropriate action to honour the victims of this sad and tragic event.

**Lord Ahmad of Wimbledon (Con):** My Lords, my noble friend caught me somewhat unawares by the succinctness of his question. Of course we recognise the events of the tragic episode that took place in Azerbaijan, as I said. I stress that there is no violent solution to the conflict between Azerbaijan and Armenia. We urge both sides to engage internationally. We support the engagement that takes place between those countries and the organisations that facilitate it, such as the OSCE.

**Baroness Cox (CB):** My Lords, I was present in Nagorno-Karabakh many times during the war in the 1990s and can testify to the reality of events at Khojaly, a town used by the Azeris to fire so many missiles on the capital, Stepanakert, that it would have been annihilated if the Armenians had not taken control of Khojaly. They gave advance notice of their attack and requested that the Azeris allow civilians to evacuate. When the attack began, they saw Armenian civilians still present. They stopped fighting and asked the Azeris to allow safe passage, but Azeris mingled with Armenians and both sides suffered deaths. The Armenians gave the Azeris permission to collect their dead, but the Azeris mutilated captured Armenian prisoners.

Is the Minister aware of the Azeri bias in much of the media coverage of the Karabakh war, not only on Khojaly but on other events, such as the massacre by Azerbaijan at the nearby village of Maraga? I visited Maraga many times. I went first when the homes were still burning. The charred remains of corpses and the vertebrae of beheaded Armenians were still on the ground. Does the Minister agree that rewriting history has serious implications for future developments in the countries involved?

**Lord Ahmad of Wimbledon (Con):** My Lords, we all recognise the importance of history. What is important in this conflict now is to look at what the future holds. It is important for both countries, and the region, for both sides to sit down. We are supportive of negotiations and further discussions. My colleague, the Minister for Europe, has been engaging extensively on this. He has visited Baku and is hoping to travel to Yerevan in the coming few weeks. I met the Foreign Minister of Armenia in December at the UN. I assure the noble Baroness that, from both perspectives—those who have a view supportive of Azerbaijan and those supportive of Armenia—solutions can ultimately be found only by direct negotiations, but there is a role for facilitation by organisations such as the UN and, as I said, the OSCE.

**The Lord Bishop of Leeds:** My Lords, I thank the Minister for that answer. I wonder if I can tempt him to comment on the role of Russia in the current situation. Do the wider problems with Russia make it more or less likely that a solution might be found in Azerbaijan and Armenia?

**Lord Ahmad of Wimbledon (Con):** My Lords, the right reverent Prelate raises the important issue of Russia's role. To be quite clear, following Russia's invasion of Ukraine, the UK has suspended all direct engagement with the Russian authorities, except on a very limited number of issues including the Ukraine crisis. We have no plan to engage directly, but we welcome the interventions of other key partners. I think Russia's war on Ukraine has hindered the progress that was being made. Whether in the context of Russia's illegal war on Ukraine or the ongoing conflict between Armenia and Azerbaijan, dialogue, discourse and ultimately a peaceful negotiation are desirable outcomes. But Russia's intervention on the sovereign land of another country cannot be ignored. In that context, as I am sure the right reverent Prelate agrees, Russia can end that conflict now by withdrawing.

**Baroness Kennedy of The Shaws (Lab):** My Lords, given that the debate has turned to Russia, today Vladimir Kara-Murza is being put on trial in Moscow. He is a very committed voice for democracy and freedom. He has been imprisoned, allegedly for treason, because he has said it is a war. He is a British citizen as well as a Russian. Are the British Government doing anything about his case?

**Lord Ahmad of Wimbledon (Con):** My Lords, the short answer is that yes, we are. We are appalled by the sentence announced today. He has bravely stood up for the rights of so many. This is another example of what Russia does to its own. In this case, there is a read-across for us as the United Kingdom. We see the action taken by Russia today and have seen what is happening with the further distressing stories about the detention of Mr Navalny and others. That, again, shows that it is not just about the war on Ukraine. Russia suppresses its own; it is suppressing the rights and freedoms of journalists, lawyers and many communities across Russia. If Russia wants to be a valid, recognised member of the international community, the first test will be how it treats its own citizens.

**Lord Purvis of Tweed (LD):** My Lords, prior to the violence in 2020, I hosted dialogue with young people in the region and, most recently, was concerned with the tension. The Minister is absolutely right that the reliability and dependability of the Russian peacekeeping force currently present is now under question. The EU has had one successful peacekeeping operation there, and its negotiations are carrying on. The Minister referred to the others who are engaged in negotiations—hopefully peace negotiations. Is the UK supporting the EU's work, and are we offering technical assistance for its work in the negotiations?

**Lord Ahmad of Wimbledon (Con):** My Lords, I assure the noble Lord that we support all noble attempts at negotiation and bringing about an end to all conflicts. The situation in Nagorno-Karabakh has gone on far too long. The primary engagement through European bodies is through the OSCE, where many members of the European Union are present. We work closely with our partners in that context.

**Lord Alton of Liverpool (CB):** My Lords, on visiting Nagorno-Karabakh, I was struck that there is one land corridor that links it to Armenia, the Lachin corridor, which has been blockaded since last December. Has the Minister had a chance to read the report of the five United Nations special rapporteurs, which was issued earlier this month, calling for urgent action to be taken for the reopening of that corridor so that food, fuel, medicine and basic necessities can reach the 120,000 people now blockaded inside Nagorno-Karabakh?

**Lord Ahmad of Wimbledon (Con):** The noble Lord is right to raise the Lachin corridor. He will be aware that, since its blockading, the United Kingdom has repeatedly called for open access, particularly for humanitarian support. Recently, there have been reports of people who have left the area not being able to access it and return home. Through representations and engagement through the OSCE and the United Nations—including at the UNSC—we continue to work with key partners to ensure that that important corridor is opened, particularly for humanitarian support.

**Lord Howell of Guildford (Con):** My Lords, we must remember that Baku is one of the pivotal points of oil and gas transmission through central Asia. While oil and gas may be on the way out between now and 2050, in the meantime it is greatly in our interest to see that there are close relations with Baku and Azerbaijan in handling all these difficult issues. Can we be assured that we are very close to the Azerbaijan Government in analysing aspects of oil and gas? Cheaper oil and gas now could mean a cheaper cost of living, which we all want—it is greatly in our interest.

**Lord Ahmad of Wimbledon (Con):** My Lords, I assure my noble friend that we engage on a wide range of issues with the Azerbaijani Government. As I indicated earlier, this has included a recent visit by my colleague, the Minister for Europe, to Baku, where a wide range of issues were discussed, including the conflict that is the subject of this Question and the importance of our bilateral relationship with Azerbaijan.

**Viscount Waverley (CB):** My Lords, in accordance with international law, do the Government accept that Karabakh is an integral part of Azerbaijan?

**Lord Ahmad of Wimbledon (Con):** My Lords, the Government's position on that is clear: yes, we do.

**Lord Campbell of Pittenweem (LD):** My Lords, it was right that the Minister referred to the case of Navalny. Is he aware that one of the more serious allegations is that he is being denied necessary medical treatment?

**Lord Ahmad of Wimbledon (Con):** My Lords, we are aware of the various challenges faced by many people detained in Russia against their will. Mr Navalny's case is particularly acute. He voluntarily returned to Russia to represent his own people, and Russia should recognise that opposition. We stand in this Chamber where we, as a Government, are rightly challenged and held accountable for our actions. If you are a democracy and want a place in the world, the challenge of opposition is part and parcel of your Government's responsibility.

## People of African Descent in the United Kingdom *Question*

3.04 pm

*Asked by Baroness Thornton*

To ask His Majesty's Government what assessment they have made of the statement by the United Nations Working Group of Experts on People of African Descent, published on 27 January, in which they said they were "deeply concerned about the human rights situation of people of African descent" in the United Kingdom and which recommended further efforts to address structural, institutional and systemic racism against people of African descent.

**The Parliamentary Under-Secretary of State, Department for Levelling Up, Housing & Communities (Baroness Scott of Bybrook) (Con):** This Government are proud that the United Kingdom is an open, tolerant and welcoming country. I commend to the House our Inclusive Britain strategy, which is a rigorous and comprehensive action plan to tackle negative disparities between people from different ethnic backgrounds. We have published today a report on the excellent progress we have made on delivering Inclusive Britain and how it is improving people's lives.

**Baroness Thornton (Lab):** My Lords, the Minister then needs to explain to the House how the United Nations working group came to the conclusions that it did in the statement it published on 27 January and how it found exactly the same situation as it did on its visit in 2012. It identified

"stark and unsustainable inequalities underpinned by systemic racism, judicial bias, and disproportionate and discriminatory policing of people of African descent"

in the UK today. Does the Minister accept the findings of the working group, and what do the Government intend to do about them?

**Baroness Scott of Bybrook (Con):** We strongly reject most of the findings, as they wrongly view the people of African descent as a single, homogenous group and present a superficial analysis of complex issues that fails to look at all possible causes of disparities, not just race. We did not feel that the United Kingdom's strong reputation as one of the fairest and most open-minded countries in the world was properly reflected in the working group's initial findings, which failed to look fully at all possible causes of disparities, not just race or racism. As our Inclusive Britain strategy and the wider work of this Government demonstrate, instead of sowing division, we must focus on giving every community and individual the opportunity to thrive and to succeed in a country where a person's racial, social or ethnic background is not a barrier to achieving their ambitions.

**Lord Singh of Wimbledon (CB):** My Lords, does the Minister agree that, in discussing serious issues, we should avoid using terms that blur meaning and fog issues, including words such as "racist", "race" and "racism", which suggest that there is a number of finite races in the world? The reality is that there are as many races as there are human beings on earth. Does the Minister further agree that what we are talking about is irrational prejudice, which has to be tackled in schools and the workplace?

**Baroness Scott of Bybrook (Con):** I agree with the noble Lord's last point that, where there are issues in workplaces, in education or in health, we need to tackle them. I also agree with him that there are many races in the world and that everybody is equal.

**Baroness Benjamin (LD):** My Lords, the report highlights how the treatment of the Windrush generation has caused significant and unbelievable harm. The feeling of mistrust and the daunting requirements have left emotional trauma that cannot be quantified. Many have died without their cases being resolved. Recently scrapping the three recommendations from Wendy Williams was careless and heartless, so will the Government make the application process more accessible and simpler for the many elderly people still struggling with the daunting system, or, better still, hand over the compensation scheme to an independent body?

**Baroness Scott of Bybrook (Con):** Since the injustices of Windrush came to light, there has been a concerted effort across government to right the wrongs suffered by those affected, including apologising, helping people to apply for documentation through our Windrush help teams, and the 200 engagement and outreach events across the country. Over 60% of the claims have received final decisions and, incrementally, more decisions are being made month by month. The Home Office firmly believes that moving the operation of the scheme away from the department would risk significantly delaying vital payments and that there would be considerable disruption to the processing of outstanding claims while a new body was established and made operational.

**Lord Popat (Con):** Does my noble friend the Minister agree that we have an amazing record when it comes to challenging racism and celebrating diversity? Four of

our five most senior Cabinet Ministers have African origins, including our Prime Minister and Suella Braverman, from Kenya; James Cleverly, from Sierra Leone; and Kemi Badenoch, from Nigeria. We have an amazing record that we should always celebrate, so I really do not agree with the United Nations report.

**Baroness Scott of Bybrook (Con):** Of course I agree with my noble friend. We are a country that is welcoming and open, and I do not believe it is racist at all.

**Lord Sikka (Lab):** My Lords, numerous studies have shown that black African workers in the UK receive lower pay than their white counterparts for exactly the same work. Ethnicity pay gap reporting is a necessary tool for highlighting institutionalised inequities and empowering Governments and people to take action. Therefore, can the Minister explain why this Government oppose ethnicity pay gap reporting?

**Baroness Scott of Bybrook (Con):** No one should have to worry that they are not being given the same opportunities as their colleagues at work. That is why the Government have today published guidance to employers on ethnicity pay reporting as part of the Inclusive Britain strategy.

**Baroness Berridge (Con):** My Lords, back in 2017, the Prime Minister announced a review of our mental health laws, which we all know have disproportionately affected those from ethnic-minority backgrounds. The Joint Committee reported to the Government in January this year and advised—boldly—that the Government abolish community treatment orders, which are 11 times more likely to be applied to those of black British backgrounds. When will we see the new mental health Bill so that we can pass it swiftly through Parliament?

**Baroness Scott of Bybrook (Con):** I am afraid that I cannot say to my noble friend when the Bill will come through; I understand that it depends on parliamentary time. However, I can say that the Government and NHS England are already taking forward non-legislative work to address racial disparities in mental health, including piloting services which explore approaches to identifying, supporting and advocating for the specific cultural needs of people from ethnic-minority backgrounds.

**Baroness Whitaker (Lab):** My Lords, the noble Baroness disputes the United Nations report. How, then, does she assess our own British report, recently published, from the University of St Andrews and backed by the Economic and Social Research Council which sets out searing disparities between many ethnicities, not least those white minority-ethnic groups—Gypsies, Travellers and Roma—who suffer the worst discrimination of all? This has gone on for years; what are the Government going to do about it?

**Baroness Scott of Bybrook (Con):** As I have already said, the Government believe that this country is open and welcoming, but obviously we are not complacent. We will continue to look at all those reports being written by eminent people; we will look at the recommendations and, if necessary, we will act.



**Baroness Burt of Solihull (LD):** The statement of the UN working group foretells what the report is going to say in September, so we have had fair warning. If the Government disagree, why do they not start formulating a plan now for tackling our structural, institutional and systematic racism instead of meekly waiting for the report to land?

**Baroness Scott of Bybrook (Con):** I think I have already said that we are not waiting. We have a strategy called the Inclusive Britain strategy, which has been going for a year. Today, we published the first results of that strategy. We will wait until the September final report and look at whether there is anything further that we have to do, but, actually, we are doing it before we get that report.

**Baroness Chakrabarti (Lab):** My Lords—

**Lord Lilley (Con):** My Lords—

**Baroness Chakrabarti (Lab):** We are talking about racism—

**Baroness Williams of Trafford (Con):** My Lords, it is, in fact, the turn of the Conservative Benches.

**Lord Lilley (Con):** Did my noble friend give the visiting body a copy of the excellent Sewell report? It showed that, though discrimination and prejudice exist, are wrong and should be combated, they could not account for most of the disparities. For example, there is a huge disparity between performance of black people from the Caribbean and black people from Africa. Nor could they account for the fact that one of the worst performing groups is white working class people. Did this body comment on those facts?

**Baroness Scott of Bybrook (Con):** No, I do not think it did comment on those facts, yet my noble friend is absolutely right: we had a Commission on Race and Ethnic Disparities report written by the esteemed commissioners, and that Sewell report was the basis for our strategy as it stands today. My noble friend brings up a very interesting issue, which is that in all races and faiths there will be some people who need more help than others, and that is exactly what we will be doing in this country.

## Protection from Redundancy (Pregnancy and Family Leave) Bill

### Order of Commitment

3.15 pm

Moved by **Baroness Bertin**

That the order of commitment be discharged.

**Baroness Bertin (Con):** My Lords, I understand that no amendments have been set down to this Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.

*Motion agreed.*

## Energy Bill [HL] Report (2nd Day)

3.16 pm

*Relevant document: 4th Report from the Constitution Committee*

### Clause 116: Designation etc

#### Amendment 59

Moved by **Lord Teverson**

**59:** Clause 116, page 102, line 17, at end insert—

“(1A) The person designated under subsection (1) must be a public body with no other roles or interests in the energy sector.”

Member’s explanatory statement

This amendment ensures that the ISOP is a public body, not an individual or a private company, and has no conflicting interests.

**Lord Teverson (LD):** My Lords, Amendment 59 is about the independent systems operator and planner, which we know as the future system operator. I have three amendments in this group—Amendments 59, 61 and 62—and I shall briefly speak to all of them. It is a big gap in the Bill as written at the moment that the so-called independent systems operator and planner is not actually independent in any way, which is why this amendment is down. I also very much support the amendment in the name of the noble Lord, Lord Lennie. For the ISOP to be independent, I believe it is fundamental that it needs to have an independent revenue stream. That is why my Amendment 61 would enable it to raise its own money; it should not come through Ofgem. We all know that the person who pays the piper calls the tune, and the future system operator needs to be independent of Ofgem. Lastly, Amendment 59 would ensure that the ISOP is a public body. I beg to move.

**Lord Lennie (Lab):** My Lords, my understanding is that the Minister will confirm the Government’s support for an independent ISOP, as suggested by the noble Lord, Lord Teverson, and this being the case, we know no longer need to divide the House on our amendments. So, rather than listening to me putting forward the argument in favour of achieving this, I think we would be better served to listen to the Minister in his reasoning for an independent ISOP: I thank him for his time over the weekend, when we reached this position.

**The Parliamentary Under-Secretary of State, Department for Energy Security and Net Zero (Lord Callanan) (Con):** Let me first thank all noble Lords for their amendments, and I thank the noble Lord, Lord Lennie, for the time he gave to discussing this matter. As always, there were valuable contributions from all parts of the House.

On the details of the amendments, Amendment 60, tabled by the noble Lord, Lord Lennie, and the noble Baroness, Lady Blake, seeks to establish an industry-led advisory board for the ISOP. In the original consultation, the respondents strongly indicated that the body should be independent of energy sector interests, and I think that is a view shared by the Opposition. The Government

[LORD CALLANAN]

therefore remain concerned that inserting in legislation a formal oversight role, as is being suggested, will place decision-making back in the hands of the energy sector and go against the reasons and mechanism for creating an independent ISOP in the first place. This could make the ISOP risk-averse or unwilling to take action that is potentially challenging to market participants but could be on the side of consumers, even if that action might be beneficial to the system itself.

We are therefore concerned that, rather than enhancing independence, members of such an advisory board would likely hold various energy sector conflicts. There are many ways this could crystallise, including resistance to systemic reform, more strident advice in favour of compensation for energy sector participants, or incumbent bias, for instance seeking to frustrate new market entrants which could stifle the innovation that I think everyone, in all parts of the House, is agreed that we need to reach net zero.

Establishing an industry-led advisory board for the ISOP would be similar to establishing one for, for instance, the Climate Change Committee—an organisation which, in our view, also needs to remain independent of industry interests. I hope noble Lords would agree that we need genuine, independent, expert thinking, rather than vested interests. Thankfully, this amendment is not required to ensure board independence; the Government intend to require that a number of sufficiently independent directors—or SIDs, to use the acronym—sit on the ISOP’s board. A SID is a board member who meets certain criteria to ensure that, as well as being skilled, knowledgeable and experienced, they are impartial, with restrictions including on certain shareholdings in the energy industry. Requirements in the ISOP’s licence will set a minimum number of SIDs to ensure that the ISOP’s board has strong representation from those outside the ISOP and is unconflicted by the interests of the energy industry.

To ensure effective scrutiny of the appointment of the ISOP’s chair, we are also asking the Office of the Commissioner for Public Appointments and the new departmental Select Committee, once established, to conduct pre-appointment scrutiny. Energy sector experts will have opportunities to input to the ISOP’s work, of course. For instance, the system operator’s business plan submissions, assessed by Ofgem, will continue to be open to consultation with market participants, including members of the specific industry forums mentioned in this amendment. Finally, through its price control process, Ofgem will ensure that the FSO is fully resourced to fulfil its objectives and obligations, including the funding of its statutory duties towards consumers, energy security and net zero.

Turning to Amendments 59 and 62, tabled by the noble Lord, Lord Teverson, again we agree with the sentiment of the noble Lord’s amendments, and the Government remain resolute that the ISOP shall be an independent public body. We continue to act to make this so. However, it is critical that the ISOP remains a dynamic organisation capable of adapting and evolving to the future conditions of the energy sector. I therefore hope the noble Lord will agree with me that it is preferable not to constrain the ISOP pre-emptively in legislation at this fairly early stage but

to maintain some flexibility. With the rapid deployment expected in the energy sector, reasonable circumstances may arise in which the ISOP is well placed to take on some future energy sector role or interest.

Regarding the specifics of Amendment 62, I believe there are already significant controls and limits upon the Secretary of State in acting as the sole shareholder. These will include limits in the framework agreement, which we will of course make public. These controls will ensure that the ISOP’s operational independence is protected.

Legislating for the ISOP to “be independent” does not, in my view, appear to offer a material benefit beyond the controls already established in Part 4 of the Bill and the framework documents, but it risks preventing the intended corporate composition of the ISOP, thereby undermining its effectiveness.

Finally, on Amendment 61, also tabled by the noble Lord, Lord Teverson, the Government agree that it will be important to ensure that the ISOP is fully resourced to fulfil the objectives and obligations set out in its licence. In our view, the most effective funding mechanism to achieve this and realise our vision for an independent ISOP is for it to be funded by consumers through price control arrangements, much like the current gas and electricity system operators are today.

Levies placed on licensed bodies can be expected to filter through to consumers. However, we are concerned that the requirement to establish an audit board risks duplication with the current well-understood and transparent regulatory model established under Ofgem. Without a price control process run by the regulator, there is also a risk of poor consumer value for money. As with other regulated bodies in this sector, the ISOP will have the operational freedom it needs to manage and organise itself to effectively deliver its roles and objectives. We also intend the ISOP to sit outside the regime of Cabinet Office controls on spending, which bodies funded by taxes and levies are required to operate under.

With the explanations and reassurances that I have been able to provide, I hope that noble Lords will agree not to press their amendments.

**Lord Teverson (LD):** My Lords, I am very encouraged by the Minister’s response on the control of the board and the ISOP. I am disappointed about the funding flows, but I guess that it will work out as it works out. I think that is unfortunate, but I have no intention of pressing the matter. I beg leave to withdraw my amendment.

*Amendment 59 withdrawn.*

*Amendments 60 and 61 not moved.*

**Clause 119: Duty to have regard to strategy and policy statement**

*Amendment 62 not moved.*

**Schedule 9: Minor and consequential amendments relating to Part 4**

*Amendment 63*

Moved by **Lord Callanan**

**63:** Schedule 9, page 278, line 28, leave out from “after” to end of line and insert ““Part 1 of the Energy Act 2023” (inserted by paragraph 5(a) of Schedule 5 to this Act) insert “or Part 4 of that Act”.”

Member’s explanatory statement

This amendment ensures that the amendment made by paragraph 8 of Schedule 9, in relation to section 105(1)(a) of the Utilities Act 2000, dovetails correctly with the amendment to that provision made by paragraph 5 of Schedule 5 to the Bill.

*Amendment 63 agreed.*

**Schedule 13: Competitive tenders for electricity projects**

*Amendment 64*

Moved by **Lord Callanan**

**64:** Schedule 13, page 297, line 16, at end insert—

“(7) Where by virtue of subsection (6)(c) tender regulations provide for the imposition of a financial penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

Member’s explanatory statement

This amendment requires regulations under section 6CA of the Electricity Act 1989 (tender regulations: power to require information) (inserted by Schedule 13) that provide for the imposition of civil penalties to include provision for a right of appeal.

*Amendment 64 agreed.*

**Clause 159: Standard conditions for MPI licences**

*Amendment 65*

Moved by **Lord Teverson**

**65:** Clause 159, page 131, line 23, at end insert—

“(1A) Those standard conditions must contain provision by which the holder of the MPI licence will contract with the relevant transmission licensee for the connection of offshore distribution networks, generating stations or offshore installations to the multi-purpose interconnector.”

Member’s explanatory statement

This amendment seeks to clarify whether the regime for MPI licences will operate in a similar way to the Offshore Electricity Transmission regime in that generation and demand users will have contracts with the system operator, who will in turn enter into back-to-back arrangements with the MPI licensee.

**Lord Teverson (LD):** My Lords, I will be brief on this group, but I believe these are important issues which we did not reach in Committee. I speak first to Amendments 65, 66 and 67 on multipurpose connectors.

Multipurpose connectors are intended to provide links between the electricity transmission systems in the UK and other jurisdictions while simultaneously connecting new offshore generation, such as offshore wind—a key part of our energy strategy—and demand, such as oil and gas installations. Ofgem is bringing together an interim regulatory framework, but I believe that there is a lack of flexibility. There is a potential

difficulty in the existing interconnector/offshore transmission operator licensee being able to carry out its functions as an MPI—that is, a multipurpose connector—licensee. These amendments aim to clarify the situation.

Amendments 125 and 129 in this group are about the decarbonisation of offshore oil and gas installations. In the *North Sea Transition Deal*, published in March 2021, the UK Government committed to reduce greenhouse gas emissions from North Sea oil and gas activities by 50% from 2018 levels by 2030—I very much welcome these targets—and, of course, to achieve net zero for the basin by 2050. The electrification of offshore production facilities is the route to achieving this. It is generally agreed that that is the way to do it.

The annual volume of carbon dioxide-equivalent greenhouse gas emissions produced by offshore oil and gas installations is some 10 million tonnes, which is roughly a tenth of the total emissions from UK energy supply. It is far from insignificant, but there is a narrowing window of opportunity to achieve these targets due to the life of these installations and the constant decommissioning programme. They just stop being economic in terms of those investments. We need action now, but there are a number of obstacles: uncertainty around how offshore networks will be treated by regulators, questions around the offshore transmission owner and well-known issues around connections to the UK grid—hence these amendments.

3.30 pm

I will also speak to Amendment 138 in this group, which seeks to rename under statute the Oil and Gas Authority as the North Sea Transition Authority, which we already know. I could be accused of being desperate to finally find an amendment that the Government will agree to. This one is so totally obvious that I wonder whether the Minister might actually be tempted to agree to it. I beg to move.

**Lord Whitty (Lab):** My Lords, I have a small amendment in this group—Amendment 68—which deals with electricity storage. This very comprehensive Bill looks a bit different from the one that we first saw, and I am not absolutely confident that I have inwardly absorbed the implication of every government amendment that we have had in the last few months. But I am pretty sure that one dimension of investment in the system that has not been fully spelled out is that of electricity storage.

We have obviously dealt with it as a way of subsidising and encouraging investment in generation and there are big changes which are welcome, by and large, in relation to carbon capture and storage, and slightly more controversial in relation to hydrogen. But one of the key things about the new system—which will be much more decentralised than previously and dependent on different forms of generated electricity—is that we need some real investment in electricity storage. We need it partly because those who have always opposed some renewables stress that they are variable and there is occasional intermittence. That will happen, but investment in pipes, pylons and wires may not be sufficient to avoid some faults and breakdowns in the system.

[LORD WHITTY]

We need to be able to call on electricity which is stored in some form to ensure that supplies are continuous. I am not sure why this has not appeared in the strategy. It needs to be somewhere. I attended part of a seminar over at the Institution of Mechanical Engineers a few weeks ago which explained the different technologies that exist for electricity storage. There are obviously some old-fashioned ones such as hydroelectric power, where you keep the water back, but there are many new technologies that could be developed for a significant investment in electricity storage. The common assumption is that it will be batteries in some form or another, but batteries in themselves raise considerable problems. In particular, a significant installation would involve problems of maintenance and of the critical materials needed for large-scale battery storage.

There is the possibility of storage in hydrogen—and that may raise other problems with hydrogen—and there is storage in ammonia and storage in compressed air. Any of these technologies need to be pursued, but we do need some system of storage. The least I would hope for from the Minister today is an acceptance that part of the strategy will be to ensure that we have cutting-edge technology in electricity storage, and an indication of how that will be financed, what the government incentives are and what the regulatory structure will be. If the Government can give me that general assurance, I will be happy.

**Lord Ravensdale (CB):** My Lords, I declare my interest as a project director and engineer working for Atkins in the nuclear industry. I also chair the cross-party group Legislators for Nuclear.

In Committee, my previous amendments in this area—they were originally put forward by the noble Baroness, Lady Neville-Rolfe, before she joined the Front Bench—aimed to define nuclear as taxonomy-aligned within the UK's green taxonomy. Naturally, I was delighted to see the Government commit to this in the Spring Budget, pending a consultation. I shall speak briefly to my resulting Amendment 137.

Following the green taxonomy announcement and progress on the renewable transport fuel obligation, there remains one glaring aberration in the treatment of nuclear in the Government's financing frameworks: the current exclusion of nuclear from the UK green financing framework, which describes how the UK Government plan to finance expenditures through the issuance of green gilts and the retail green savings bonds. Now that nuclear is due to be specified as taxonomy-aligned, I am sure that the Minister would agree, for consistency if nothing else, that it should also now be eligible under the green financing framework. This would have many benefits in ensuring the availability of vital extra funding for nuclear projects to enable the decarbonisation of our energy system.

I would be grateful if, in summing up, the Minister could state when the Government intend to address this issue.

**Baroness Bennett of Manor Castle (GP):** My Lords, I will speak briefly to Amendment 68 in the name of the noble Lord, Lord Whitty, to which I have attached my name. I will also make a couple of other comments on this group.

I can probably predict some of what the Minister will say about the amendment from the noble Lord, Lord Whitty. I note, as I am sure all Members of the House have, that, three days ago, the Government announced £30 million for experimental or first-stage renewable storage projects. We have pump thermal, thermal and compressed air, and a number of other schemes. What is really important about this amendment is the context of the report to Parliament in six months. This is something that is absolutely crucial to the renewables transition, and we really need to see democratic oversight of where it is going.

I particularly make the point that this must be a strategy. Instead of one-off projects here and there, we need a whole integrated system. One thing that is really unconsidered is vehicle-to-grid storage. As we have more and more electric cars, if we have innovation in management we can use those cars as storage when people do not need them for transport. This is a way in which we would need much less resources—the Government are themselves saying that we could save £10 billion by 2050 by reducing our need to generate electricity.

I have just a couple of comments to make on the other amendments in the group. It will not surprise anyone in your Lordships' House to hear that I oppose Amendment 137 in the name of the noble Lord, Lord Ravensdale. However, its very existence is a demonstration of the way in which new nuclear can be a distraction from the renewables investment that is our energy future.

On the amendments in the name of the noble Lord, Lord Teverson, on electrifying and decarbonising oil and gas facilities, I am afraid that the term “greenwash” has to appear at this point. I have an amendment in a later group asking for no new oil, gas or coal. Any reduction in energy use on a new oil rig because it has some solar panels on top of it does not take us anywhere like where we need to go in this climate emergency.

**Baroness Blake of Leeds (Lab):** My Lords, I will speak briefly to the amendments in this second group, starting with Amendment 65 from the noble Lord, Lord Teverson. All I can do is echo his clear requests for confirmation that the Government will be more flexible and for clarity around multipurpose interconnectors, particularly with regard to the relationships between Great Britain and other jurisdictions. Will the interconnectors operate in a similar way to the offshore electricity transmission regime? I hope that the Minister will be able to give the reassurance and clarification that the amendments in the name of the noble Lord, Lord Teverson, ask for.

I thank my noble friend Lord Whitty for tabling Amendment 68, on an issue that he feels passionately about and comments on whenever the opportunity arises. We know that, as the electricity network develops new facilities and new renewable sources of generation, there will be a need for more storage capacity. As we have said, there is a non-exhaustive list of technologies, and new ones coming on stream that we might not have considered so far, and so comments must extend beyond batteries. The important part of this amendment to consider is a commitment from the Government to give support to assist with developing the storage capacity that we need.

The further amendments, led by the noble Lord, Lord Teverson, look to remove legislative barriers to the electrification and decarbonisation of oil and gas facilities, and to work towards a green financing framework. We must be mindful of the uncertainty of costs, going forward. When considering these amendments, it is important to consider decarbonisation, which is critical to the Bill, but also affordability and ensuring that energy is within the reach of every person in the country.

We know that the zero-carbon electricity system is possibly 19% cheaper than gas-based facilities, and that UK gas power is currently estimated to be nine times the amount of renewable power. Driving down energy costs means that we need cheap, clean power. We must take this rare opportunity presented by the Bill to ensure that we use the legislative framework to drive measures that will, in the short-term, reach towards action to decarbonise the electricity system and bring down costs.

The passage of the Bill through the House has been quite lengthy, but we really must take the opportunity presented to us to ensure that we make the progress that is required.

**Lord Callanan (Con):** My Lords, I thank all Members who have contributed to the debate.

I completely agree with the last point made by the noble Baroness, Lady Blake. It is very important that we use the powers to do exactly what she suggested: to drive the decarbonisation agenda. Despite some of the criticisms, we are making excellent progress in this country—much better than most other G7 countries. However, we must be very conscious of the cost to consumers.

Amendments 125 to 129 were tabled by the noble Lord, Lord Teverson. I was amused to see that he has incurred the wrath of the noble Baroness, Lady Bennett, in trying to come up with pragmatic, sensible solutions for the energy system of this country. All I can say is, “Welcome to the club”.

I will start with his comments on the North Sea Transition Authority. We are engaging with industry to ensure the delivery of the North Sea transition deal emissions reduction targets and the successful rollout of electrification, which we all want to see. We are also considering how to utilise the Secretary of State’s existing powers, if needed, to support electrification. We are confident that, in this area, additional primary legislation is not required. As the noble Lord mentioned, the North Sea transition deal commits the offshore oil and gas sector to reducing emissions from operations to 50% of 2018 levels by 2030. As I have said repeatedly in this House, during the transition there will be an ongoing need for existing oil and gas resources, but it makes sense to extract them with the minimum possible carbon emissions.

3.45 pm

The North Sea Transition Authority estimates that total upstream greenhouse gas emissions declined by 14.6% in 2021, representing an estimated overall reduction of 21.5% against a 2018 baseline, so we are making considerable progress. I agree with the noble Lord that the electrification of oil and gas platforms is a key

means of decarbonising the sector. The Government are working with industry to support the delivery of electrification, and the North Sea Transition Authority already expects all new operations to be electrification-ready or already electrified.

I therefore submit that Amendments 125 to 129 are unnecessary and risk establishing unnecessary regulatory and reporting burdens. In addition, some of the amendments could cause unintended consequences. For example, Amendment 128 would, in effect, require transmission licensees to adapt connection designs to accommodate a change of use at any time, with no cost to the customer or customers requiring such adaptations, and to the same timescale as the original connection date. To require any such changes to be accepted by the transmission licensee, at any time, with no charge to the customer and delivered to the same timescales, would likely result in additional costs for energy bill payers. It would also add cost and delay to other connection projects, such as new renewable generation or new onshore industrial installations.

We share the desire to remove regulatory barriers. However, this must be carefully considered against the fact that parties benefiting from exemptions in licensing requirements may avoid payment of policy and network costs in a way that reflects the cost they impose on the network. This needs to be carefully considered against the benefits that will accrue from the electrification process.

I turn to Amendments 65 to 67 regarding multipurpose interconnectors—MPIs. Amendment 67 would place several restrictions on transmission licensees in relation to the MPI licensee, in a similar way to Amendment 128. This could prevent the electricity system operator from carrying out its responsibilities, including setting appropriate charges for a connection to the system. That is why we cannot support that amendment.

Amendment 65 would require the standard conditions for the MPI licence to include provisions regarding system agreements. I reassure the noble Lord, Lord Teverson, that both the Government and Ofgem will consult with relevant parties to develop the licence conditions for MPIs. Once designed, these licence conditions will set out any obligation with which the MPI licensee will have formally to comply in relation to the electricity system operator. It will also set out the relevant responsibilities of the MPI licensee in relation to the transmission licensee and any other relevant parties. The drafting of Clause 159 does not limit the scope of what will be included in the licence conditions. However, imposing an outright obligation on the Secretary of State to include certain detailed conditions is, I submit, not appropriate at this stage, as it will prejudice the various planned consultations that we have to undertake with interested parties.

Amendment 66 would require the licence conditions to contain any desirable or necessary provisions to enable the developers of MPIs to recover any anticipatory investment. Ofgem has brought forward several initiatives regarding anticipatory investment, which will reduce the risk of investment between offshore co-ordination projects. In line with the rest of the offshore transmission network review, Ofgem is considering whether the policy on anticipatory investment can in fact be applied to MPIs. Ofgem will be assessing the risk-reward

[LORD CALLANAN]

balance for these MPI projects as it develops a bespoke regulatory regime, and it will consult on this shortly. As such, we do not believe that these provisions should be included within the licence conditions prior to the consultations that need to be carried out by Ofgem.

I also thank the noble Lord, Lord Teverson, for his amendment to change the Oil and Gas Authority's name to the North Sea Transition Authority. As outlined in Committee, any legislative name change of the OGA to the NSTA would need to address all instances where the OGA is mentioned in existing primary and secondary legislation. Any partial change of name could undermine or change the NSTA's statutory functions, powers and objectives. Of course, the Government recognise the importance of this change and we are currently considering legislative options to amend the statutory name to the NSTA in all places where it occurs in primary legislation.

I also thank the noble Lord, Lord Whitty, for his amendment on electricity storage. Our smart systems and flexibility plan, published jointly with Ofgem, sets out our approach to facilitate the deployment of electricity storage at all scales. We are creating a best-in-class regulatory framework by removing policy and regulatory barriers. That is why we have sought to provide further regulatory clarity for the sector in the Bill. Indeed, our measure to define electricity storage provides long-term clarity and certainty over its treatment in regulatory frameworks.

Beyond the Bill, as mentioned, we are accelerating the commercialisation of longer-duration energy storage technologies through the net zero innovation portfolio. We are committed to developing policy to enable investment for large-scale long-duration electricity storage by 2024. We have worked with the Low Carbon Contracts Company to publish guidance on co-locating electricity storage with renewable electricity generators that have entered into contracts for difference. At the Spring Budget, the Government published a call for evidence, which considers the case for extending the temporary VAT zero rate for battery storage to electrical battery storage when it is installed on its own.

Together, these actions are facilitating the deployment of electricity storage capacity. This is evidenced by the threefold increase in planning applications that we have received for electricity storage facilities since 2020, and the securing of the highest battery capacity to date at the 2023 capacity market auctions. We also anticipate a doubling of the current grid-scale battery storage to be operational by the end of this year.

Finally, I thank the noble Lord, Lord Ravensdale, for his amendment that would designate nuclear energy generation as eligible green expenditure for the purposes of the green financing framework. As we set out in the framework, the Treasury will review the framework on a regular basis and publish any changes to ensure transparency. It is important that we do not unilaterally amend the framework by statute, as this could undermine confidence in the green finance programme, limit demand for green gilts and reduce value for money for the taxpayer.

I hope that the noble Lord will take confidence from the measures we have taken to support investment into new nuclear, including the passage of the Nuclear

Energy (Financing) Act 2022, and, as was confirmed in the green finance strategy published last month, that nuclear energy will be included in the green taxonomy, subject to consultation, which will therefore encourage further private investment.

In light of the reassurances that I have been able to provide, I hope that the noble Lord, Lord Teverson, will withdraw his amendment, and that other noble Lords will feel able to not move theirs.

**Lord Teverson (LD):** My Lords, I thank the Minister for his long and detailed response to my amendments. One always knows in this House that you are in big trouble when Ministers start talking about unintended consequences of amendments, so I accept that. Having said that, I am mortified that we cannot, at this stage, change the name of the Oil and Gas Authority; just a promise of a Third Reading amendment would have made my day, but there we are. It is obviously far too difficult. But I take encouragement from the Minister; I think he suggested that that is a work in progress and will happen at some time. In the meantime, I beg leave to withdraw my amendment.

*Amendment 65 withdrawn.*

*Amendment 66 not moved.*

#### **Clause 161: Grant of MPI licences to existing operators**

*Amendment 67 not moved.*

#### **Clause 164: Electricity storage**

##### *Amendment 68*

*Tabled by Lord Whitty*

**68:** Clause 164, page 134, line 4, at end insert—

“(A1) Within six months of the day on which this Act is passed the Secretary of State must place before each House of Parliament a strategy for a significant increase in the provision of electricity storage facilities to enhance the resilience and flexibility of electricity supply.

(B1) This strategy must cover all forms of electricity storage, including battery, hydrogen, ammonia, adiabatic compressed air energy storage systems, and hydroelectric storage; and cover potential licensing, planning, regulation, subsidy and taxation considerations.”

Member's explanatory statement

A future electricity network based largely on renewable sources of generation will require significantly increased storage capacity – which could be based on multiple technologies and is likely to require some form of government support in its development. This amendment would ensure that this dimension is considered and reported to parliament.

**Lord Whitty (Lab):** My Lords, I beg to move Amendment 68, and if my voice holds out I will also speak to Amendment 74. I appreciate that the Bill is primarily about the system, the capital investment and the totality of the supply of electricity, but, as the Minister recognised in his reply to the first group, the issues among the public are, “How much does it

cost?”, “What effect does this have on my standard of living?”, and, in particular for the more vulnerable consumers, “Can I afford to keep my family and my house warm?”. There is no mention of any new initiatives in the Bill.

**The Deputy Speaker (Lord Russell of Liverpool) (CB):** My Lords, I think the noble Lord may think that he is on the following group of amendments; this is the amendment in the previous group that I suspect he did not want to move. He is perhaps a touch premature.

**Lord Whitty (Lab):** Oh! My apologies to the House and to the Deputy Speaker. I will return to the subject.

*Amendment 68 not moved.*

#### *Amendment 69*

*Moved by Lord Whitty*

**69:** After Clause 166, insert the following new Clause—

**“Introduction of a social tariff for vulnerable energy customers**

- (1) Within six months of the day on which this Act is passed, the Secretary of State must prepare a plan in relation to bringing forward a social tariff for vulnerable energy customers and lay that plan before Parliament.
- (2) The Secretary of State may by notice in writing require the economic regulator to introduce a social tariff for energy that satisfies the following conditions—
  - (a) it is additional to the Warm Home Discount and Default tariff price Cap,
  - (b) it is mandatory for all licensed electricity and gas suppliers,
  - (c) it is targeted on households that are in or at risk of fuel poverty,
  - (d) it is set at a level that is below the market price, and
  - (e) it automatically enrolls eligible households onto the tariff.”

Member’s explanatory statement

An amendment to give the Secretary of State the power to introduce a social tariff for energy and place a duty on the UK Government to prepare a plan for the introduction of such a tariff.

**Lord Whitty (Lab):** My Lords, I will now move this amendment properly. I will not repeat what I just said, but the fact is that in this massive Bill, which gives the strategy for the energy sector for the next 10 years, the social dimension of that strategy and its effect on consumers are not entirely but largely ignored.

I moved a similar amendment in Committee and the Minister was not particularly interested. He claimed that we were already looking after the interests of vulnerable consumers. A couple of years ago, or slightly more, I did a small job for Energy UK, looking at the effect of the energy system on vulnerable consumers. To be fair, as a result of that both the trade body and some individual companies significantly improved their consumer service to the more vulnerable consumers, but they have not dramatically changed the tariff structure in favour of those who are least able to pay or who require a rather larger amount of energy than average because of their family condition, health, age, mobility and so forth.

A simple requirement that energy suppliers must include in their tariffs a social tariff for identified vulnerable consumers seems the most obvious and

straightforward way forward. We have the warm home discount and the major intervention, using taxpayers’ money, to off-set the effects of the gas price rise, which I fully recognise is the biggest intervention the Government have made on this front, but this would be an obligation on the companies to ensure that they have a social tariff. This is because the present structure of tariffs is unfair and discriminates against more vulnerable consumers. Anybody who does not pay by direct debit is at a disadvantage with almost all the energy-supplying companies. A failure to pay by direct debit means that you pay more.

At a more extreme level even than that, those who are on prepayment meters—we have seen the scandals that have appeared in the last few months—systematically pay significantly more than those who pay by direct debit. This is not right. Those consumers are the most vulnerable. In many cases they are put on prepayment meters because they find it difficult to meet the cost. I appreciate that the Government have intervened to ensure that the more draconian measures to force people on to prepayment meters have been tackled, and I thank them for that, but it is still the case that the most vulnerable consumers, using the easiest method for them to pay, pay more than the rest of us on higher incomes. That is wrong. The easiest way to get out of that is to require all companies to have a social tariff, and to ensure that the system of the priority service register, which in theory exists to identify those customers, actually leads to an offer and a supply of a differentially favourable tariff.

The priority registration system was originally to make sure that they were not hit by shortage of supply. It has been used by companies to identify those who are most vulnerable, but it is differentially effective. Our study found that the level of signing up for the priority service was very different region by region and company by company. Also, the use to which it was put was not at all systematically clear. The large number of people who do not know of the register, or that they could perhaps use their presence on it to ask for a different tariff, means that, in essence, people who perhaps are not digitally literate or do not have time to compare the market—or “Compare the Meerkat” or whatever—are doubly disadvantaged with respect to the systems of pricing and tariffs available to them.

*4 pm*

If the Minister cannot say that he will incorporate something like this in the Bill, I hope he will at least give an indication that, together with Ofgem, the Government will at some stage come forward with a new system of tariff structures and requirements that truly and effectively addresses the needs of our more vulnerable consumers; they may be vulnerable by income, the nature of their families, their health or their age.

That is all I am asking. I suspect that the Minister does not want to incorporate it in the Bill but it would be nice if he could give me an indication that, together with the regulator, the Government are at least thinking of better ways to ensure a more socially just structure of tariffs in this country. I beg to move.

**Lord Teverson (LD):** My Lords, I was pleased to add my name to the amendment from the noble Lord, Lord Whitty. There is no easy answer to the question

[LORD TEVERSON]  
of a social tariff—all solutions to fuel poverty have downsides—but the industry feels that this is the direction of movement and consumer groups agree, so I will be interested to hear the Minister's response. I have also tabled two amendments in this group: Amendments 70 and 71 about prepayment meters. This is a particularly important area to me. I will not take up the House's time by going through the arguments again, but I would be interested to hear from the Minister where the Government stand now on prepayment meters and self-disconnection.

**Baroness Bennett of Manor Castle (GP):** My Lords, I have attached my name to a number of amendments in this group in the names of the noble Lords, Lord Whitty and Lord Teverson. The arguments on prepayment meters put by the noble Lord, Lord Teverson, are very clear; we have seen that all over the media.

The noble Lord, Lord Whitty, referred to the fact that this is a long-term issue, but it is worth highlighting that, since we debated this in Committee, the Government's own figures have come out. They show that the fuel poverty level in the UK increased to 13.4% over the course of 2022 and predict that it will reach 14.4% by 2024.

Of course, these figures use the highly questioned government definition of fuel poverty, which does not allow for anyone living in a home above D classification to be classed as fuel poor even if they simply cannot afford to heat that home. According to the National Energy Action definition of fuel poverty—households spending more than 10% of their income after housing costs on energy bills—there were 7.39 million households in that condition in 2022, and the NEA estimates that this year, after April, 8.4 million people will be in households in fuel poverty.

These measures would be highly targeted to address the poorest. They are simply common sense, enabling people to live and be healthy in our society.

**Lord Lennie (Lab):** My Lords, this group of amendments from the noble Lord, Lord Teverson, my noble friend Lord Whitty and the noble Baroness, Lady Bennett, consider the circumstances of some of the vulnerable customers in the energy market, and the actions the Government might take to protect them from the vagaries of the market. Such actions range from a social tariff through to inhibiting the exploitation of current prepayment meter customers and a prohibition on the installation of prepayment meters unless specifically requested by a customer. These amendments would collectively offer protection for these customers, who are often regarded as problems by billing companies.

As was said by the noble Lord, Lord Teverson, Ofgem recently announced a stop to companies forcing their way into premises to fit prepayment meters. This practice was commonplace and saw such customers paying more in energy costs as companies passed on the costs associated with the fitting and maintenance of prepayment meters. The ban was originally due to last until the end of March and has now been made indefinite.

The call for a social tariff has been advocated by Citizens Advice and is supported by the Social Market Foundation. It comes in a report that follows a long period of consultation with industry leaders, civil society and the general public. Last year, National Energy Action also argued for a social tariff for low-income households, highlighting the double bind of energy costs and rising bills coupled with paying more due to the poverty premium. A targeted social tariff would limit the impact of these circumstances, as well as help accelerate a fair transition towards net zero. I repeat the question asked by my noble friend Lord Whitty: are the Government able to give an indication that they might review the current tariff structure with a view to making it fairer, in favour of vulnerable customers, including prepayment meter customers?

**Baroness Bloomfield of Hinton Waldrist (Con):** My Lords, this group covers amendments tabled regarding support and protections for the most vulnerable energy consumers. First, I thank the noble Lords, Lord Whitty and Lord Teverson, and the noble Baroness, Lady Bennett of Manor Castle, for their amendment to introduce a social tariff for vulnerable energy customers.

I am all too aware of the context for the noble Lords' amendments, as energy bills have dramatically increased for all households over the past 18 months. This, coupled with the wider cost of living, has put the budgets of vulnerable households under considerable pressure. Noble Lords will be aware that the Chancellor set out in the Autumn Statement that the Government would work with consumer groups and industry to explore the best approach for consumer protection from April 2024. He also said that the Government would assess options, including a social tariff. These discussions are already well under way and are ongoing.

As set out in *Powering Up Britain: Energy Security Plan*, the Government have committed to consult this summer on options to provide better targeted support for those who need it most. In addition, the Chancellor announced in the Spring Budget that the energy price guarantee will be extended at £2,500 for an additional three months to the end of June 2023. This is in addition to the expanded warm home discount scheme, which has been extended until 2026 and which provides £475 million in support per year in 2020 prices.

The amendments tabled by the noble Lord, Lord Teverson, and the noble Baroness, Lady Bennett of Manor Castle, relate to the smart prepayment meter rollout and the restriction of the use of prepayment meters. The Government want to see the highest possible levels of smart meter coverage across the country, including for prepayment. Energy suppliers are each being set annual minimum installation targets and large suppliers are required to publish their performance against those targets, broken down by credit and prepayment.

This amendment would go further, effectively mandating the replacement of legacy prepayment meters by the end of 2025. This would present significant logistical challenges, including the need for energy suppliers to obtain warrants to enter consumers' homes. I think we can all agree that that would not be a satisfactory outcome. Prioritising the replacement of legacy prepayment meters may have the unintended



consequence of creating disincentives for suppliers to install smart meters for vulnerable credit customers. Data from Ofgem indicates that around 70% of those with disabilities pay by direct debit and may therefore benefit from the automated readings which smart meters deliver.

I understand the sentiment that lies behind the noble Lord's calls for measures aimed at ending self-disconnections, such as a social tariff. However, his amendment is not the way to achieve this. The best way is through the work under way to explore the best approach for consumer protection, which I outlined earlier.

Regarding the noble Lord's second amendment, the Government agree that the recent findings in the *Times* in relation to customers of British Gas having prepayment meters forcibly installed were both shocking and unacceptable. It is critical that our most vulnerable energy users are protected, and that is why the Government acted quickly to tackle this issue of inappropriate prepayment meter use. The Secretary of State wrote to energy suppliers insisting they revise their practices and improve their action to support vulnerable households.

Following that, all domestic energy suppliers have agreed to cease the forced installation of prepayment meters, and the remote switching of smart meters to prepayment mode, while Ofgem and industry agree and implement a code of practice to improve consumer safeguards. Ofgem will then start a formal statutory consultation process to modify suppliers' licence conditions in line with the code, which will allow Ofgem to use its full enforcement powers to enforce compliance with the code.

I am pleased that the Chancellor has acted through the Budget to remove the premium paid by prepayment meter customers. That will happen from July initially, through the energy price guarantee, with Ofgem bringing forward options for longer-term solutions to be implemented by April 2024.

Prepayment meters can continue to play an important role in the market. They are a useful tool for some customers to prevent debt building up, and a complete ban on prepayment meters would likely see a move to using debt enforcement via the courts and bailiffs, which is not a desirable outcome. However, it is important that the rules around their use are sufficient and properly enforced. That is why Ofgem is undertaking a review to consider how prepayment meters are handled across the market. The Government will continue to review progress to ensure that these processes lead to positive changes for vulnerable consumers.

Amendment 74 tabled by the noble Lord, Lord Whitty, relates to protecting heat network consumers. Robust consumer protection rules are of paramount importance, which is the primary reason that the Government are regulating the heat network sector. Schedule 16 provides for regulations to make the regulator's principal objective to protect the interests of existing and future heat network consumers. That mirrors Ofgem's principal objectives regarding existing and future gas and electricity consumers.

I would like to provide more detail on what that principal objective will mean in practice. It will ensure that the regulator prioritises enforcing rules that ensure

that heat network consumers receive fair prices and reliable supplies of heat. The regulator will have powers to investigate and intervene where prices appear unfair or are significantly higher than comparable heating systems. The regulator will also introduce heat supply standards of performance, including adequate compensation for consumers who experience outages. That will ensure that heat network consumers receive comparable standards to gas and electricity consumers.

We are introducing these measures through secondary legislation and authorisation conditions, as with gas and electricity consumer protections, to ensure that rules can be updated more easily as the market matures and decarbonises. The Government will consult on the specific consumer standards that need to be met, and I encourage the noble Lord to consider that consultation once it is published later this year.

I hope that noble Lords are reassured by this explanation and feel able not to press their amendments.

**Lord Whitty (Lab):** My Lords, I thank the noble Baroness for that considered reply and the recognition in her remarks that there is still a serious problem. She referred to Ofgem coming up with something in relation to the way in which prepayment meters operate. In this new era, with a new structure following the Bill, it would be useful if Ofgem and the Government looked at the totality of structures for all forms of supply of energy, and particularly at the impact on more vulnerable consumers—Ofgem would need to take the lead, I guess. I hope the issues that I raised on the structure of tariffs in relation to the priority service register and the impact on vulnerable consumers would be included. I am watching this space. The noble Baroness has moved some way towards recognising that there is an issue.

I refrained from commenting in detail on heat networks because my voice was going. There is a problem. I very much welcome the fact that this is one bit of consumer protection in the Bill; it has been extended to the users of district heating. District heating has been convenient and is usually quite cheap but is now faced with real problems. I hope that the consultation will cover it.

4.15 pm

Hitherto, if you are a consumer of a heat network, you have been dealt with by a monopoly, you have had no regulation until this Bill and, in some cases, you have also been faced with bills for the non-heating parts of your home—at least gas for cooking. You are faced with three bills. When the price of gas goes up, the price of everything goes up, and these consumers are triply hit. Because a large proportion of people on district heating are in social housing, this particularly hits more vulnerable groups. I would hope that, in the constructive way in which the Minister approached this, her consultation will cover that which I have mentioned—in particular, that the ability of district heating to avoid some of the consumer protections and tariff structures for other consumers is changed. My amendment's principal aim was that they would have at least the same protection as other consumers of electricity.

[LORD WHITTY]

I have one other point on district heating. At some time in the next five or 10 years, most of those district heating systems, which are based on gas, are going to have to change the fuel on which they are based. How they capitalise that, how they raise the money and what kind of hit goes to their consumers is a very real issue and one which is already beginning to raise anxieties. I hope that will be covered as well.

In the meantime—I am sorry to go on—I will withdraw my amendment, but I promise both Ministers that I will return to the subject in different contexts. I beg leave to withdraw the amendment.

*Amendment 69 withdrawn.*

*Amendments 70 and 71 not moved.*

*Amendment 72 had been withdrawn from the Marshalled List.*

### **Clause 167: Relevant heat network**

#### *Amendment 73*

*Moved by Lord Callanan*

**73:** Clause 167, page 139, line 34, leave out “negative” and insert “affirmative”

Member’s explanatory statement

This amendment makes regulations under Clause 167 (which contains a power to amend certain definitions relating to heat networks) subject to the affirmative procedure.

*Amendment 73 agreed.*

### **Clause 168: The Regulator**

*Amendment 74 not moved.*

### **Schedule 16: Heat networks regulation**

#### *Amendments 75 to 79*

*Moved by Lord Callanan*

**75:** Schedule 16, page 337, line 32, leave out “or Scotland”

Member’s explanatory statement

This amendment removes a reference to Scotland in connection with installation and maintenance licences (which do not apply in relation to Scotland).

**76:** Schedule 16, page 340, line 28, leave out paragraph (c)

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 341, line 7.

**77:** Schedule 16, page 341, line 7, at end insert—

“(2A) Where regulations make provision by virtue of paragraph 37(2)(c) for the imposition of a penalty on a relevant person, the regulations—

- (a) must also include provision enabling the relevant person to challenge the penalty in legal proceedings;
- (b) may, in particular, specify the grounds on which and the time within which a penalty may be challenged and the remedies that may be given.”

Member’s explanatory statement

This amendment requires regulations made by virtue of paragraph 37(2)(c) of Schedule 16 (heat networks regulation: methods of enforcement) that provide for the imposition of a penalty to include provision for challenging the penalty in legal proceedings.

**78:** Schedule 16, page 341, line 28, leave out “a penalty” and insert “compensation”

Member’s explanatory statement

This amendment corrects an error in paragraph 40(1)(f) of Schedule 16.

**79:** Schedule 16, page 346, line 26, at end insert—

“(3) In this paragraph, “the appropriate authority” means—

- (a) in relation to England and Wales and Scotland, the Secretary of State;

- (b) in relation to Northern Ireland, the Department.”

Member’s explanatory statement

This amendment provides a definition of “the appropriate authority” for paragraph 50 of Schedule 16 (to match the definition in paragraph 61 of that Schedule).

*Amendments 75 to 79 agreed.*

### **Clause 171: Heat networks regulations: procedure**

#### *Amendments 80 to 88*

*Moved by Lord Callanan*

**80:** Clause 171, page 141, line 38, leave out subsection (1) and insert—

“(1) The first regulations to be made by the Secretary of State under section 170 are subject to the affirmative procedure.”

Member’s explanatory statement

This amendment clarifies that the first regulations made by the Secretary of State under Clause 170 are subject to the affirmative procedure.

**81:** Clause 171, page 142, line 1, leave out from beginning to “subject” in line 2 and insert “The following regulations made by the Secretary of State are also”

Member’s explanatory statement

This amendment clarifies that the list in Clause 171(2) of cases in which the affirmative procedure applies relates to regulations made by the Secretary of State (as opposed to regulations made by the Department for the Economy in Northern Ireland).

**82:** Clause 171, page 142, line 3, leave out paragraph (a)

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 141, line 38.

**83:** Clause 171, page 142, line 8, at end insert—

“(iv) any provision of Part 8 or 9 of Schedule 16, or  
 (v) paragraph 56 of Schedule 16;”

Member’s explanatory statement

This amendment adds regulations relating to step-in arrangements, special administration regimes and powers of entry to the list of the kinds of regulations under Clause 170 that are subject to the affirmative procedure.

**84:** Clause 171, page 142, line 12, at end insert—

“(2A) Any other regulations made by the Secretary of State under section 170 are subject to the negative procedure.”

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 141, line 38.

**85:** Clause 171, page 142, line 16, leave out subsection (4) and insert—

“(4) The first regulations to be made by the Department under section 170 may not be made unless a draft of the regulations has been laid before and approved by a resolution of the Northern Ireland Assembly.”

Member’s explanatory statement

This amendment is part of a rearrangement of procedural provision in Clause 171 relating to regulations made by the Department for the Economy in Northern Ireland, aimed at mirroring the corresponding provision in that clause relating to regulations made by the Secretary of State.

**86:** Clause 171, page 142, line 24, leave out paragraph (a)

Member’s explanatory statement

See the explanatory statement relating to the amendment in the name of Lord Callanan at page 142, line 16.

**87:** Clause 171, page 142, line 27, at end insert—

“(iii) any provision of Part 8 or 9 of Schedule 16, or (iv) paragraph 56 of Schedule 16;”

Member’s explanatory statement

This amendment makes provision in respect of regulations made by the Department for the Economy in Northern Ireland corresponding to that made by the amendment in the name of Lord Callanan at page 142, line 8 in respect of regulations made by the Secretary of State.

**88:** Clause 171, page 142, line 31, at end insert—

“(6) Any other regulations made by the Department under section 170 are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)).”

Member’s explanatory statement

See the explanatory statement relating to the amendment in the name of Lord Callanan at page 142, line 16.

*Amendments 80 to 88 agreed.*

### **Clause 173: Heat networks: licensing authority in Scotland**

#### *Amendments 89 to 93*

#### *Moved by Lord Callanan*

**89:** Clause 173, page 143, line 35, leave out “negative” and insert “affirmative”

Member’s explanatory statement

This amendment provides that regulations under Clause 173(1) (which confers power to designate the Gas and Electricity Markets Authority as the licensing authority for the purposes of the Heat Networks (Scotland) Act 2021) are subject to the affirmative procedure.

**90:** Clause 174, page 144, line 19, at end insert—

“(4) Regulations under this section are subject to the affirmative procedure.”

Member’s explanatory statement

This amendment provides that regulations under Clause 174 (which confers power to make provision about the enforcement of conditions of heat network licences issued in Scotland) are subject to the affirmative procedure.

**91:** Clause 180, page 147, line 39, leave out subsections (3) and (4)

Member’s explanatory statement

This amendment omits provision that would have enabled heat network zones regulations to require a person to comply with the provisions of a non-legislative document.

**92:** Clause 185, page 153, line 10, leave out paragraph (c)

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 153, line 14.

**93:** Clause 185, page 153, line 14, at end insert—

“(1A) Zones regulations made by virtue of section 181(2)(c) or 184(2)(c) must include provision for a right of appeal against the imposition of a penalty.”

Member’s explanatory statement

This amendment requires zones regulations made by virtue of Clause 181 (requests for information) or Clause 184 (enforcement of heat network zone requirements) that make provision for the imposition of a penalty, to include provision for a right of appeal.

*Amendments 89 to 93 agreed.*

#### *Amendment 94*

#### *Moved by Lord Ravensdale*

**94:** After Clause 187, insert the following new Clause—

“PART 7A

*Local Area Energy Plans*

#### **Duty to provide guidance**

- (1) The Secretary of State must publish guidance for local authorities on local area energy planning within 12 months of this Act being passed.
- (2) The guidance in subsection (1) may include, but is not limited to, guidance on—
  - (a) contributing towards meeting the targets set under—
    - (i) Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting), and
    - (ii) sections 1 to 3 of the Environment Act 2021 (environmental targets);
  - (b) adapting to any current or predicted impacts of climate change identified in the most recent report under section 56 of the Climate Change Act 2008 (report on impact of climate change);
  - (c) the data and assumptions used in creating a local area energy plan;
  - (d) the roles and responsibilities of those involved in creating a local area energy plan;
  - (e) the minimum standards for a local area energy plan.
- (3) Local authorities must have regard to the guidance produced under subsection (1) when developing local area energy plans.
- (4) In this section, “local authority” has the meaning given in section 178.”

Member’s explanatory statement

This amendment provides guidance for local authorities to help them produce Local Area Energy Plans. It aims to widen the roll out of Local Area Energy Plans among local authorities and help better define the role of local authorities in delivering the future energy system.

**Lord Ravensdale (CB):** My Lords, I declare my interests set out earlier and add my interest as a director of Peers for the Planet. I also thank the noble Baroness, Lady Bennett, for her support on Amendment 94. I will keep my remarks brief, but first I thank the Minister and his Bill team for meeting me and for all of the engagement on this important issue over the last few months.

I feel that one of the key missing pieces in the net-zero puzzle before us is in better defining the role of local authorities within the whole governance structure. We all know that local authorities have a vital role to play, but there is limited definition of this. I think that

[LORD RAVENSDALE]

local area energy plans are at the core of fixing this. Local area energy planning is a data-driven and whole-energy-system evidence-based approach, which sets out to identify the most effective route for a local area to contribute towards meeting the national net-zero target, as well as meeting its local net-zero target. Its proven methodology is a well-trodden path which has been effectively used in a number of other countries.

I wanted to return to this issue on Report as I strongly feel that there is a missed opportunity within the Bill to set out the role of local authorities more clearly. There have been some developments since Committee. In particular, the Skidmore *Mission Zero* report was published, which recognised the issue and aligns with what I am asking for in this local area energy planning amendment. This was brought out strongly in the report, as one of the 25 key actions for 2025 was for the Government to provide guidance on local area energy planning. The Committee on Climate Change also recognises the need for this.

The amendment does not ask for much; it asks only for guidance to be published, and it does not mandate the approach in any way. It simply asks for the Government to publish guidance for local authorities to use in local area energy planning—this step has already been taken by the devolved Governments in Scotland and Wales. So it will provide much-needed clarity to local authorities on how they should approach energy planning, and it will also send the important signal that the Government are behind the approach to help to increase the rollout of these plans. So I look forward to the Minister's response, and I hope he can provide me some reassurance on this point. I beg to move.

**Baroness Boycott (CB):** My Lords, I will speak to Amendments 134 and 135, about community energy. In the midst of an energy crisis, when cheap and clean home-produced energy has never been more vital, as we have heard in this debate, we are far behind where we could be with the amount of small-scale renewable energy, especially community energy schemes, which are simply community-owned and community-run renewable energy projects. Our limited number of schemes has been massively welcomed by politicians of all parties because they provide cheaper and greener power, and they distribute benefits locally, rather than up to the big power companies.

The feed-in tariff briefly created rapid growth in these schemes, but that has dwindled to almost nothing—despite renewable technologies being cheaper than ever. The lack of growth is largely the result of the prohibitive cost that the small-scale generators face. The problem is well recognised, and 318 MPs from all major parties back the Local Electricity Bill, which would enable community energy schemes to sell electricity they generate to their local customers.

The potential is enormous. According to the Environmental Audit Committee, community energy could grow by 12 to 20 times by 2030, power 2.2 million homes and save 2.5 million tonnes of CO<sub>2</sub> emissions every year. This would take our renewable energy generation from community schemes to almost 10% of our entire needs, and the substantial benefits of enabling

this can barely be overstated. However, community energy has seen a trickle of minimal growth, amounting to less than half a per cent.

The problem can be solved without subsidy, and this seems to be the key point. Small-scale renewable energy generators need to receive only a guaranteed fair price for the electricity they contribute to an energy system in desperate need of homegrown energy, as we have heard. Amendment 134 establishes a

“Community and Smaller-scale Electricity Export Guarantee Scheme”.

It would provide a guaranteed income for the electricity from small-scale low-carbon energy generators, with “small” defined as “a capacity below 5MW”. This would mean that communities get properly remunerated for their contribution to the system, and they can therefore go to their banks and raise the funds to expand or establish. This guaranteed price could be set by regulations, revised annually by Ofgem, with the initial contract guaranteed for at least five years—not that long.

Amendment 135 establishes a

“Community and Smaller-scale Electricity Supplier Services Scheme”.

This, again, would allow community schemes that registered under the electricity export guarantee scheme also to sell the electricity they generate locally. No requirement is placed on community schemes to do this, so, if they wish, they could operate simply using the proceeds of the export guarantee. For some, such returns would be sufficient to encourage local people to invest in new energy schemes—such was the case when we had a feed-in tariff.

But, if a community wants, it can sell the electricity it generates directly to households and businesses in its community. It can do so, for example, as an additional incentive for local people to invest or because it believes it can offer a lower tariff to the less well off in the community—this point was made on previous amendments this afternoon. This means that the community, which knows its people and what is going on, can flex its tariffs, and everyone can buy in to the project.

As with the clause created by Amendment 134, this would all be monitored by Ofgem and reported on annually. This is a nationwide campaign backed by a coalition of over 80 organisations—the Church of England, the CPRE, the Energy Saving Trust et cetera; I will not name them all—and 100 councils have already stated their support. Four of the six major distribution network operators—basically, our regional energy grid monopolies: Electricity North West, SP Energy, UK Power and Western Power—are supportive. As has been mentioned before, the Skidmore review supports all such organisations and ideas that will help green renewable energy, so I am completely puzzled as to why Ministers are not falling over themselves to make this thing happen.

In Committee, the Minister, the noble Lord, Lord Callanan, said that the amendments would create a subsidy to community energy schemes. However, we need to be really clear—in saying this, I want to pre-empt a response from the Minister—that the amendments do not establish subsidies for community energy schemes. Renewable energy can stand on its

own two feet now; it has been successful in cutting costs over the last two decades and is now completely viable without the need for feed-in tariffs. We just need to set up the right market system for the energy for people to buy it and for people to be responsible for it. I will be completely puzzled if the Minister does not accept that, and I warn him now that I intend to test the opinion of the House later.

**Baroness Bennett of Manor Castle (GP):** My Lords, the three amendments have been extremely ably introduced by the noble Lord, Lord Ravensdale, and the noble Baroness, Lady Boycott. It is a pleasure to speak after them, having attached my name to all three amendments.

I will briefly sum up what they seek to achieve. Amendments 134 and 135 are about community energy, which is where people can get together as a community, decide what they want their local energy system to look like and deliver it. There is no need for any involvement from Westminster or big multinational companies; it is a chance for communities to get together. Surely, as the noble Lord, Lord Lucas, has signed both Amendments 134 and 135, this would be seen to be utterly in line with Conservative approaches. I note that, in the other place, among the hundreds of signatories is Sir Graham Brady, so if you want a full political spread, perhaps from me to Sir Graham Brady will pretty well cover the breadth of support for community energy.

On Amendment 94, we know that there is huge concentration of power and resources, and that the reins are held very tightly by Westminster. As the noble Lord, Lord Ravensdale, set out, Wales and Scotland have already seen the importance of local decision-making to solve local problems to ensure that they are able to deliver renewables, with local people making the decisions about where they go, what they look like and how they are distributed. Indeed, as the noble Baroness, Lady Boycott, said, this could be a local poverty alleviation issue and a levelling-up type of approach.

I acknowledge that the Minister has very kindly had meetings with us to discuss the amendments. We keep being told that this is something that the Government would like to do eventually but it is all too difficult. However, I think it is all worked out and set out in the amendments. Clearly, many people in the other place and here have been convinced that now is the time to go for community energy.

I will offer a final reflection. I happened to be in a bed and breakfast in Norfolk this morning, chatting across the table to some residents of Herefordshire who had just driven across the country and were about to drive back. They asked me, “Where are all the solar panels? We can’t see solar panels where we know we should see solar panels.” I said that the answer to scale this up quickly could be community energy.

4.30 pm

**Baroness Young of Old Scone (Lab):** My Lords, I support Amendments 134 and 135, so ably led by the noble Baroness, Lady Boycott. I had hoped that my name would be added to them, but something happened along the way.

It is true that everybody is saying that there is real importance in community energy, but the proof of the pudding has to be in the eating. After that initial burst of schemes that the feed-in tariff encouraged, we have really not seen any major growth and the government measures that have been put in place simply have not worked. The amendments are important for two reasons. First, they would enable improved financial predictability and viability for community energy schemes, because, at the moment, there are a number of hurdles that such schemes have to cross. If financial viability and predictability are not there at the start, they lose heart very rapidly in approaching the other hurdles. The second is the issue that has already been touched on: that is the whole business of community “*joie de vivre*” around energy generation schemes. A surefire way of not having local schemes is where there is a scenario of “all pain and no gain”—where there is a bit of local environmental disruption and a little adjustment to the view. Local communities very rapidly turn off those schemes if they do not see any value for themselves. That is happening more and more at the moment. Local community generation schemes are not very popular since there is landscape blight and no direct benefit. In fact, the figures show that more solar farms were turned down in 2020 at planning stages than had been turned down in the previous four years.

The presence of a local community scheme may even lead to dialogue locally about increased uptake of energy efficiency measures. People become interested in both energy efficiency and demand-side and supply-side issues. That is exactly the sort of community engagement we need if we are really going to see net zero hit. Indeed, Chris Skidmore in his much-quoted net-zero review urged the Government to produce a community energy strategy and to break through the current regulatory and legislative funding barriers. He supported the provisions of the Local Electricity Bill, which these amendments have largely reproduced.

As has been said, the noble Lord, Lord Callanan, assured us in Committee, in his letter of 22 December and in subsequent meetings that the Government want to see more community energy schemes. We are really asking him what in effect will be done, as, so far, government measures have not worked. To echo the noble Baroness, Lady Boycott, we are not seeking subsidy; we are looking for a fair price varied by government, as advised by Ofgem—an increased price, perhaps, where schemes need to be encouraged and a reduced price, perhaps, if scheme growth is going gangbusters. It is about a guaranteed floor price, similar to the contracts for difference from which other renewable sectors benefit.

I thank Octopus and other major suppliers for tackling some of these issues. The reality is, however, that they are not creating the volumes that are required. It is quite a telling fact that Octopus, through Unity, its subsidiary, is now responsible for one-third of all the community energy sector schemes. If one company, busting a gut, can actually be involved in one-third of the community energy sector, it seems to imply that it is not moving very fast. We are not seeing the volume of schemes being created. Other barriers need to be tackled, particularly access to the grid, lack of early-stage feasibility funding and planning complexities, but to

[BARONESS YOUNG OF OLD SCONE]

accept these two amendments would go a long way to encouraging the community energy sector and to removing the most fundamental barrier, which is the economic one.

It would also be good if the Minister could tell us what the latest timescales are for the review of the electricity market arrangements, because that is another area where the whole business of how renewable energy competes is going to be fundamental. Can the Minister tell us today—if he is not going to accept these amendments, as I am sure he will not do—what the Government are going to do that will be effective in getting the community energy sector off its knees, where it is at the moment?

**Baroness Meacher (CB):** My Lords, I will not take the time of the House to repeat comments that have already been made. The noble Baroness, Lady Boycott, and others have made a very powerful case for these amendments. It is ludicrous for us not to be enabling community energy production when this does not involve a subsidy and when it could create additional energy sufficient for something like the 2.2 million homes mentioned by the noble Baroness, Lady Boycott. This is a completely neglected area; it can be resolved as set out in these amendments in a straightforward way. The main thing is that these community energy projects need to be able to sell their energy to big suppliers in the locality—those with more than 150,000 customers was the figure quoted, I think. So there is very strong support for these amendments and I hope the Minister will be able to accept them. I cannot see any reason why not: it is not going to cost the Government anything.

**Lord Teverson (LD):** My Lords, from these Benches I welcome particularly the amendments in the name of the noble Baroness, Lady Boycott. I will not detain the House except to say that it is quite clear that community schemes have not operated effectively for many years. I should declare that I am an insignificant shareholder in a local community scheme in my own home area, which was set up under the feed-in tariffs. The schemes as put forward are not a kind of feed-in tariff regime: they are really looking for stability of price and are not around subsidy. I just say to the Minister that the Government's overall target is decarbonisation of the grid by 2035: let communities play a big part in that, because one thing that is really important here is that community schemes allow for communities, individuals, households, families and small businesses to participate in the decarbonisation of our economy and net zero. They can be a part of it and that is why these amendments are so important.

On the amendment in the name of the noble Lord, Lord Ravensdale, it is indeed very important that local authorities are involved and are movers in this area. All I can say is that I have to learn from him: he has the ear of the Government and the Minister far more than I do, and perhaps I could have some lessons afterwards about how to be successful in getting amendments into Bills.

**Baroness Blake of Leeds (Lab):** My Lords, I declare my interest as a vice-president of the Local Government Association. It will come as no surprise to Members of

the House that I support all these amendments, particularly Amendment 94 in the name of the noble Lord, Lord Ravensdale. Going by my personal experience, not giving a broader role to local authorities is such a missed opportunity and I cannot understand why these amendments would not be supported, particularly since it is, in all honesty, such a mild request: better definition of local authorities' role; and asking for guidance, which is a perpetual demand from local authorities, I have to say, in trying to move things forward. As we know, other key reports and reviews have recognised just how important it is to get local buy-in and to get local stakeholders involved.

I turn to the amendments in the name of the noble Baroness, Lady Boycott, and signed by others. It is essential that we bring these elements together. What we are talking about, without repeating the technical issues that have been raised so powerfully today, is that we need to aim to have a framework that will support the growth of community and smaller-scale energy schemes and also provide regular reporting so that everyone knows how things are progressing. I have to say that all we are asking for is the following of an evidence-based approach. We can look at the success of other, related schemes in these areas that have been successfully led by local authorities. These include the rollout of electric vehicles, with local authorities leading by example in changing their fleets to electricity. District heating is another example where, when you have very strong local buy-in, the success moves forward. What we are asking for here is the ability to inform, shape and enable key aspects to deliver energy decarbonisation.

I believe very firmly in involving local stakeholders from the beginning; they are far more likely to come on board with schemes that might have aspects that they find work against their interests if they understand and are included in the bigger picture. Many people will make compromises when they understand the greater good, and the opportunity has been highlighted over the past year by the dramatic increase in energy prices and the risk of energy scarcity. I think the landscape has changed in this regard. Let us give confidence to local people and communities by developing the framework for the growth of communities and smaller-scale energy schemes. It is regrettable that more progress has not been made so far. The role of Ofgem in this, giving clear methodology and quality standards, is essential and will give the credibility that is needed, as the noble Baroness, Lady Boycott, so eloquently pointed out.

Through the involvement of local communities, we are asking for a more effective and better targeted delivery of national priorities; and we all know that we need more determination to deliver on the ground. I hope we will see some movement in this area and can only echo other comments: if we fail to make progress, this is such wasted potential, and I hope we will hear some positive comments with regard to these amendments.

**Lord Callanan (Con):** I thank all Members who have contributed, particularly the noble Baronesses, Lady Boycott and Lady Bennett, for Amendments 134 and 135—the noble Lord, Lord Lucas, proposed them but sadly is not in his place. I am grateful to noble

Lords who met me and officials recently to discuss this matter and give us a chance to talk through the departmental thinking.

As I said when we met, the Government recognise the role that community and local renewable energy schemes can play in supporting our net-zero targets. But we continue to believe that small-scale, low-carbon electricity generation should be brought forward through competitive, market-based solutions. A key feature of the smart export guarantee regime is to allow suppliers to set both the tariff level and the structure and for suppliers themselves to determine the value of the exported electricity alongside all the associated administrative costs. Any move to introduce a regulated price for exported electricity has the potential to limit the overall scope for innovation and export tariff packages. This would fundamentally undermine the principles of the supported export guarantee policy objective, which looks to encourage a market-driven approach.

Furthermore, the amendments as drafted are unlikely to result in better outcomes for consumers compared with other tariffs that would be available from suppliers. First, there would be initial set-up and ongoing delivery costs associated with the scheme for both Ofgem and the suppliers, which we expect would be material. These costs would be recovered via the service fee charged by suppliers and therefore probably reflected in the local tariff price.

Secondly, small-scale, low-carbon generation will, by its nature, be intermittent and unable to supply local consumers at all times. Suppliers would therefore need to buy additional wholesale energy from other sources—for example, during periods of peak demand—and incur all the associated network and system costs. The local tariff would also be required to have regard to the export price paid to the local generator. This would create a somewhat perverse outcome where higher export prices would benefit the generator but also increase the tariff price.

As a result, there is no guarantee that the local tariff would be lower than the current regulated standard variable tariff. In fact, there is some reason to believe that it would actually be higher.

4.45 pm

As set out previously during Committee, existing market reforms that are under way could further support the development and uptake of small-scale, localised electricity generation. The Government are developing local partnerships in England that will enable supportive communities to host new onshore wind infrastructure in return for benefits—including, for example, lower energy bills. The Government will consult on the specifics of any new partnership scheme.

At the same time, Ofgem is progressing work on electricity network charging reforms, while the Government are considering wider retail market reforms and undertaking a review of electricity market arrangements, which is considering how markets can better value small-scale distributed generation.

The noble Baroness, Lady Young, asked about timescales. We aim to publish a second REMA consultation this autumn, and we will take decisions

on shorter-term reforms more quickly where it is viable to do so through the REMA programme.

None the less, I reassure noble Lords that I understand the issues they have raised and, as we outlined in the meetings we had, my officials are actively looking into this. We will continue to engage with Power for People on these amendments and with the wider sector through the community energy contact group.

Finally, the other amendment in this group is Amendment 94, tabled by the noble Lord, Lord Ravensdale, which seeks to ensure that guidance is published for local authorities regarding local area energy planning. We are considering the role of local-level energy planning in delivering net zero. It is vital that any approach endorsed by government is considered carefully to ensure that it is deliverable, cost-effective and aligned with wider policy intent. We are continuing to work closely with stakeholders on this issue, including with Ofgem as part of its ongoing governance review into local energy institutions and its proposals on regional energy system planning, and with UK Research and Innovation and its work on decarbonisation planning.

Local authorities can carry out local area energy plans at the moment, should they choose to. The Government are supporting this through the prospering from the energy revolution programme, to which we have so far committed £104 million-worth of funding. I know that the noble Lord, Lord Ravensdale, had the opportunity to meet my officials ahead of the Recess to discuss some further details and to gain some understanding of the work my department is already doing in this space. I hope he found that reassuring and was convinced that this is an area of work on which we are already actively progressing.

With these reassurances, I hope noble Lords will feel able to withdraw or not move their amendments.

**Baroness Bennett of Manor Castle (GP):** Before the Minister sits down, I would like to apologise to the House; I should perhaps have declared my position as a vice-president of the Local Government Association. The Minister referred to the costs of local schemes, but would he acknowledge that there has been historically—and certainly will be in the future—a great deal of voluntary effort and contributions in the administration and running of such schemes, and that that is a net input into communities that does not have a financial cost, which can affect the price?

**Lord Callanan (Con):** If organisations take advantage of community-minded individuals prepared to contribute work to their local community, that is something that we welcome. However, what will be critical to those communities is the ultimate tariff that they pay, irrespective of how much voluntary effort goes in. Our concern is that these amendments are being slightly oversold to many communities; they may think that they are somehow going to get a favourable tariff compared to what they would get in the wider market. As currently structured, we do not believe that the amendments would produce that.

**Baroness Boycott (CB):** Before the Minister sits down, I think that that is slightly unfair on local communities. A lot of people enjoy being involved in local community schemes and, as the noble Baroness,

[BARONESS BOYCOTT]

Lady Bennett, just said, a lot of volunteering work goes into this. It is not just about getting lower prices; it is also about reducing our carbon emissions and being part of the campaign to get to net zero. You cannot just quantify everything in pounds, shillings and pence.

**Lord Callanan (Con):** I agree with the noble Baroness, and we are supporting a number of community energy partnerships at the moment. As I say, we are not against the idea in principle, but we need to work through the proper policy implications and ensure that some of these very worthwhile schemes are not piggybacking on to the costs that everybody else pays into the system.

**Lord Ravensdale (CB):** My Lords, I thank the Minister for providing that detail on the department's approach to local area energy planning and for recognising the ongoing work. With the reassurance that has been provided by the Minister, I beg leave to withdraw my amendment.

*Amendment 94 withdrawn.*

### **Clause 191: Enforcement**

#### *Amendment 95*

*Moved by Lord Callanan*

**95:** Clause 191, page 159, line 17, at end insert “in respect of that act or omission”

Member's explanatory statement

This amendment ensures that the acceptance by an enforcement authority (under energy smart regulations) of an enforcement undertaking in respect of a person's act or omission does not prevent the authority imposing a penalty on that person in respect of a different act or omission.

*Amendment 95 agreed.*

### **Clause 194: Regulations: procedure and supplemental**

#### *Amendment 96*

*Moved by Lord Callanan*

**96:** Clause 194, page 161, line 15, at end insert—

“(5A) Energy smart regulations that are not within subsection (5) are subject to the made affirmative procedure if they—

- (a) are the first energy smart regulations to make provision about a particular description of energy smart appliance,
  - (b) make provision by virtue of section 189(4)(b) imposing requirements of a kind not previously imposed by energy smart regulations,
  - (c) make provision by virtue of section 190(1)(a) or (b) by reference or in relation to a published document, standard or list (as the case may be) in respect of which such provision has not previously been made,
  - (d) confer new powers for the enforcement of energy smart regulations, or
  - (e) make provision by virtue of section 192(2) for the imposition of new civil penalties.
- (5B) A revised version of a published document, standard or list is to be disregarded for the purposes of subsection (5A)(c) if provision has

previously been made in respect of the document, standard or list by virtue of section 190(1)(a) or (b) (as the case may be).”

Member's explanatory statement

This amendment provides that energy smart regulations that are not the first energy smart regulations but that include certain kinds of provision for the first time are subject to the made affirmative procedure.

*Amendment 96 agreed.*

#### *Amendment 97*

*Moved by Baroness Hayman*

**97:** Before Clause 200, insert the following new Clause—

#### **“National Warmer Homes and Businesses Action Plan**

- (1) The Secretary of State must, before the end of the period of 6 months beginning with the day on which this Act is passed, publish an action plan entitled the Warmer Homes and Businesses Action Plan, to set out how His Majesty's Government intends to deliver on—
  - (a) achieving a low-carbon heat target, of 100% of installations of relevant heating appliances and connections to relevant heat networks by 2035,
  - (b) achieving EPC band C by 2035 in all UK homes where practical, cost effective and affordable,
  - (c) achieving EPC band B by 2028 in all non-domestic properties, and
  - (d) introducing the Future Homes Standard for all new builds in England by 2025.
- (2) The Secretary of State must, in developing the Warmer Homes and Businesses Action Plan, consult the Climate Change Committee and its sub-committee on adaptation.”

Member's explanatory statement

This amendment imposes a duty on the Secretary of State to bring forward a plan with timebound proposals for low carbon heat, energy efficient homes and non-domestic properties and higher standards on new homes.

**Baroness Hayman (CB):** My Lords, in moving Amendment 97 I remind the House of my interests as set out in the register. This is truly a cross-party amendment, and I am grateful to the noble Lords, Lord Bourne, Lord Whitty and Lord Foster of Bath, who have added their names to it. The noble Lord, Lord Foster of Bath, has Amendment 98 in this group, and has been fighting the battle on energy efficiency even longer than I have.

I do not need to speak at length on this issue, as I explained the rationale of it in Committee. For any noble Lords who missed that event, I also explained the rationale for amendments to the Social Housing (Regulation) Bill and the Levelling-up and Regeneration Bill. This is an important issue and it goes across many sectors. In the private sector, social housing and owner occupation we have the same problem: our housing stock is old, leaky and draughty—and part of the leaking that goes on is of money. There are also the effects on health and productivity.

There has been no challenge at any time when I have suggested that it is important that we focus on energy efficiency. The analysis that we have a real problem is universally accepted. Indeed, six years ago the Government first set out their own aspiration for as many homes as possible to be EPC band C by 2035. However, I am afraid that, although the aspiration has



been there, the achievement has not. Since that aspiration was set out, we have had numerous schemes for home insulation, which in the main have failed. They have been piecemeal and ineffective, and have given no confidence to the industries that we need to deliver those services that there will be long-term investment and that they too can invest and train the workforce necessary to make the inroads we need into the problems.

We have had those sorts of schemes and a string of announcements from Governments. There has been a string of announcements, a string of reannouncements, a string of consultations and, most recently, an announcement that there was a commitment to publish the responses to a previous consultation. What we have not had is the comprehensive, coherent, cohesive plan that would see us able to make real progress in this area.

Everyone else has quoted the Skidmore review so I will too. In that review, Chris Skidmore said that the mission to improve energy efficiency for households

“will not only reduce energy demand and bolster our energy security, but also save consumers money on their bills”.

To that, I add that it will also save taxpayers money because, at the moment, they are subsidising those bills. Good money is literally going up in smoke; we need to stop it now. What we need is a comprehensive, cohesive plan with set times for the achievement of set objectives—something that we have never had.

This is not only my analysis. In its progress review—last month, I think—the National Infrastructure Commission highlighted:

“Government is not on track to deliver its commitments on heat or energy efficiency ... A concrete plan for delivering energy efficiency improvements is required, with a particular focus on driving action in homes and facilitating the investment needed”.

We need to take that conclusion very seriously; my amendment seeks to do just that.

I am grateful to the Minister, who found time to discuss these issues with me. He had some concerns about the drafting of the amendment, particularly the words “cost effective”, “practical” and “affordable”. I am trying to make this amendment sensible, cost effective, practical and affordable, but I hope to reassure the Minister that those words were not just plucked out of the air by me. They come from the Government’s own *Clean Growth Strategy* and were quoted back at me as something that the Government supported by the noble Earl, Lord Howe, in his response to my amendment when we debated it during a debate on the levelling-up Bill.

For those reasons, I hope that these words will not worry the Minister in the way that they did when we had a conversation. If he was still concerned and felt the need to change them at Third Reading, I think we would all be happy to come back and see whether there was a way in which we could accommodate that. Meanwhile, I do not resile from my view that, as a Parliament, we need to say how firmly we believe that the Government have not made enough progress on this issue and that we need a road map to do so urgently.

I beg to move.

**Lord Foster of Bath (LD):** My Lords, I am absolutely delighted to support this amendment from the noble Baroness, Lady Hayman, and to speak to my Amendment 98. For those who have not necessarily followed the debate, which has gone on for many years, it is worth pointing out by way of background that the International Energy Agency has repeatedly argued that the best way to tackle the impact of climate change is to reduce our use of energy and that the most cost-effective and environmentally friendly option is to avoid unnecessary consumption. Clearly, the benefits of such an approach are pretty obvious: increased national energy security and reduced carbon emissions, coupled with reduced household energy bills and improved quality of life, not least for those living in old, damp, mouldy homes. There are other benefits too, including, for example, the saving to the NHS in England of £1.4 billion a year—its estimate of the cost of people living in cold homes.

Schemes to deal with this have come and gone. Promises have been made but rarely kept. Existing schemes have been inadequately policed. The Green Deal and the green homes grant schemes came and went. Even the 2019 Conservative Party manifesto promise to invest £9.3 billion of public funding to stimulate energy efficiency up to 2024 appears to have been cut to £6.6 billion, as we see in the document produced in March this year. Measures that are still on the statute book are being inadequately policed, so the assumed impact is not being achieved. For instance, not all properties that should have a display energy certificate do so.

5 pm

In 2018 we introduced minimum energy-efficiency standards through all properties, whether residential or commercial, that were going to be let, but this was never properly policed. Despite all that, in 2020 the Government raised the standards, but to this day they still have not announced how and when the standards will be implemented or how they will be policed this time. If you look even further back, the Warm Homes and Energy Conservation Act 2000 was designed to eliminate the then 2 million households deemed to be in fuel poverty, but failure to follow it through means that rather than reducing that number, it is now estimated that we have almost 8 million households in fuel poverty.

We have some of the least energy-efficient housing in Europe, with 19 million homes classed as energy inefficient. Yet sadly, in the past year alone, home energy-efficiency activities have plunged by 50%; they are now at their lowest level since 2018. At the end of last year, in his role as chair of the Climate Change Committee, the noble Lord, Lord Deben, whom I am delighted to see in his place, said in a letter to the Chancellor of the Exchequer that reducing energy demand in UK buildings is now the biggest gap in the current Government’s energy policy. The failure to follow through and properly police previous energy-efficiency schemes and promises means that, as we heard from the noble Baroness, Lady Hayman, the industry has lacked the confidence to invest in the research, equipment and training of staff to do the necessary work. As a result, we are now faced with a shortfall of some 200,000 trained staff to do the work needed.

[LORD FOSTER OF BATH]

If we are to reverse this situation and give the industry the confidence it now needs to invest, we need a very clear plan of action and legally binding targets set out in legislation. I have made the case on numerous occasions, yet despite their willingness to place a range of other targets into legislation, the Government have steadfastly refused to do so for most of their own energy-efficiency targets. Now, at last, we have an Energy Efficiency Taskforce that I hope will quickly produce the plan of action. Amendment 97 covers this, but it also places a clear timetable on its production and requires its publication. The amendment, together with my Amendment 98, provides for the placing of clear targets for different forms of tenure into legislation.

I hope that the Minister will at long last accept at least the thrust of these amendments, if not the precise words. If he is unwilling to do so, on these Benches we will certainly support the noble Baroness, should she press her amendment to a vote.

**Lord Deben (Con):** My Lords, having been introduced by the noble Lord, I want to try to help the Government. We all know that, first, energy efficiency is the most sensible way of proceeding towards the statutory targets that this Government have supported and this Parliament has voted for. Secondly, we know that every mechanism that we have tried so far has not delivered to the extent that we hoped it would. Thirdly, we know that this is an all-party view; nobody disagrees with it except those who still believe that climate change is not happening. Even if you do not believe in climate change, you must understand the cost of living crisis and, therefore, that doing this is crucial to reduce costs, particularly for those who are least able to bear them. So there is every reason for energy efficiency.

It is therefore not surprising that every adviser of the Government has emphasised this—not just as one among many possibilities but as the most important thing that any Government could do at this time. That is not just the Climate Change Committee but the National Infrastructure Commission and everybody else who has paid any attention at all to this. Yet the Government, in explaining to their supporters why this would not be an acceptable amendment, suggest that somehow or other it would add unnecessarily to the various schemes and programmes that are already in place.

I have to say to the Minister that the Climate Change Committee has looked very carefully at this and it does not actually meet the facts, because none of these other things satisfactorily deals with the reduction of energy use. There is a bit of an argument about how much of a difference you could make but, roughly speaking, if we had real energy efficiency, we could do all the things we are doing at the moment at about half the energy use. This is a hugely important matter.

These particular amendments may well have failings, but that is to remind the Government that they should have brought this forward in the Bill themselves, so that it did not need to be amended. I beg the Minister, whom I hope is in a sympathetic mood, even to statements by me, to take seriously the fact that no one believes that we should not have this amendment or something like it—no one who I can find logically does.

There will be some people who, if it is pressed to a vote, will support the Government because they feel that they must. I am happy to meet any of them and listen to their arguments for not doing this; it will be difficult for those arguments to be effective. I merely ask the Minister to please not put us yet again in the embarrassing position that either we vote against energy efficiency on the side of the Government or we vote against the Government for energy efficiency, which is what every independent adviser advises and which is, I happen to be sure of, actually the view of any Minister who has looked at the facts.

**Lord Whitty (Lab):** My Lords, I am glad to follow the noble Lord, Lord Deben; in the way he has spelled it out, it is clear that there is a huge gap in the energy strategy being presented by the Government. You would not believe that from the size of the Bill and the details within it, but the fact is that, unless we have a strand of policy, properly delivered and enforced, that deals with energy efficiency, we are missing the easiest target: to stop households and businesses spending money on energy when relatively simple adjustments to their homes or to the regulations that cover buildings could change that.

I am lost in admiration for the noble Baroness, Lady Hayman, who raises this issue on every piece of legislation going through the House. I am astounded that the Government have not taken it up.

There is something odd about this. More than 20 years ago, I was sitting where the Minister sits, and I was responsible for policies against fuel poverty and for energy efficiency. At the end of the Labour Government, we were doing roughly four times the number of interventions that the Government have done. So when the Minister turns around, as he did in Committee, and says that they are already doing a very substantial amount of stuff—they are doing some stuff; there is a social housing fund for energy efficiency and the ECO scheme, which is not a particularly efficient way of delivering it but does deliver something—at the end of the day, it does not amount to what we were doing 20 years ago. Had we continued doing that for the last 20 years—maybe we would have had to alter it and to update the interventions—then the energy efficiency of our buildings would be substantially greater. The Minister is required to explain to the House why this glaring omission is not in this or any other Bill.

There are relatively simple things you can do which make a dramatic difference, though it is slightly difficult to do it. Why, for example, do regulations on new builds not universally require new-build houses to approximate to a net-zero position? Why, for example, does the planning system tend to favour demolition of buildings, which itself is carbon-releasing and carbon-inefficient, rather than effective retrofitting? Why, in effect, have the schemes that the Government have come forward with in the owner-occupier sector—the green homes grant and the Green Deal—not worked, despite the fact that industry and campaigners have been very much in support of them? The answer is that they have not been made sufficiently attractive and the delivery has not been made sufficiently attractive to businesses—installers and the workforce—to ensure that we have a massive effort on this front.

I am glad that the Government have established a more effective Energy Efficiency Taskforce, but that task force needs to come up rapidly with a strategy which will address all of these issues and deliver for us a contribution to solving the energy-induced part of the cost of living crisis, and at the same time begin to reduce our dependence on energy use and enhance our contribution towards meeting net zero. It is so obvious that I am astounded, as the noble Lord, Lord Deben is, that the Government have not seized this opportunity.

I hope that, before the Bill finishes its turn in this House, we will see a rectification of that and a real commitment to an energy efficiency strategy which makes sense, is attractive and works.

**Baroness Altmann (Con):** My Lords, I support these amendments and the concept of improving energy efficiency. I probably cannot express the rationale for that better than the noble Baroness, Lady Hayman, and my noble friend Lord Deben.

I would like to ask my noble friend the Minister if there are particular issues in the wording of these amendments that the Government have a problem with. Is it the EPC ratings or the six months? If there are such issues, would the Government consider coming back at Third Reading with their own version of what seems, universally across the House and across the country, to be so sensible? Given the Government's excellent record and excellent intentions in improving the energy performance and net-zero performance of the British economy and our country, would they consider these measures?

**Lord Lennie (Lab):** My Lords, these welcome amendments in the names of the noble Baroness, Lady Hayman, and the noble Lord, Lord Foster, are concerned with energy efficiency in homes and non-domestic premises. As the noble Lord, Lord Deben said, the Government have set statutory targets aimed at reducing carbon emissions, achieving net zero and improving energy efficiency in homes.

There is consideration under way in the Minimum Energy Performance of Buildings Bill to move EPC ratings for rental properties from band E to C by 2025. The original plan was to ensure that all tenancies were in that band by 2025, but after much lobbying by landlords and others, DESNZ decided to scrap the 2025 target and now have until 2028 to achieve that target.

I want briefly to set out some facts: energy-efficiency measures are now 20 times lower than under the last Labour Government; the UK has the least energy-efficient homes in Europe; domestic energy-efficiency measures have fallen 95% since 2012; and the Resolution Foundation estimates that 9 million households are paying an extra £170 a year as a result of these failings. So we support these amendments, and should the noble Baroness, Lady Hayman, test the opinion of the House, we will support her in that vote.

5.15 pm

**Lord Callanan (Con):** My Lords, this group covers the two amendments concerning the energy performance of existing premises and of new builds.

I will start with Amendment 97, from the noble Baroness, Lady Hayman, and the noble Lords, Lord Foster and Lord Whitty, which would require the Secretary of State to publish a national warmer homes and businesses action plan six months after Royal Assent. That proposed plan looks very similar to and would duplicate the Government's existing *Net Zero Strategy* and the *Heat and Buildings Strategy*—added to, of course, by the *Powering Up Britain* publications. Therefore, we feel that it is unnecessary.

On minimum energy-efficiency standards for domestic buildings, the Government agree with the ambition of reaching EPC band C by 2035 for as many homes as possible where that is cost effective, and for commercial properties below EPC band B where that is cost effective. On minimum energy-efficiency standards, these ambitions have already been published in various publications, including the *Net Zero Growth Plan*. The Government have already set out their timeline to deliver the future homes standard by 2025 and we have accelerated work on its full technical specification. We will consult further on that later this year. Regarding the proposal on heat networks, the Bill already outlines our heat network zoning proposals for England, which details where buildings should be connected to heat networks and gives local authorities the power to implement heat network zones.

On top of all those major commitments, as has been referenced in the debate, we recently launched the Energy Efficiency Taskforce, of which I have the honour to be co-chairman, to deliver our ambition to reduce the UK's final energy consumption from buildings and industry by 15% by 2030. So there is no difference in ambition from the Government on energy efficiency. I agree with many of the points made on how important energy efficiency is, and we are progressing work to increase it across a whole range of sectors, as I have outlined.

In addition to all that, in the Statement on powering up Britain, which was made just before the Easter Recess and will be repeated here on Wednesday evening, we announced a further insulation scheme—the Great British insulation scheme—to deliver £1 billion in additional investment by March 2026 in energy-efficiency upgrades in some of the least efficient homes, including those in the so-called able-to-pay sector. Furthermore, we announced that we will extend the boiler upgrade scheme until 2028, supporting both domestic and small non-domestic buildings, building on the existing £450 million-worth of funding already committed between 2022 and 2025 to provide the signal that people have been asking for that the scheme will last in the longer term. All of that will help us to reach our ambition of phasing out all new installations of natural gas boilers by 2035, but before we can proceed to legislate for that we must provide effective cheap alternatives; otherwise, the population will, in my view, react badly to being compelled to do that.

I turn next to Amendment 98, tabled by the noble Lords, Lord Foster, Lord Lennie and Lord Whitty, and the noble Baroness, Lady Hayman, with contributions from my noble friend Lady Altmann. I would also like to thank the noble Lord for his important work as chairman of the committee. This amendment would require all privately rented homes to have a minimum

[LORD CALLANAN]

energy performance certificate—EPC—rating of band C by December 2028, subject to specified exemptions. The amendments would also require non-domestic privately rented properties to meet EPC B by December 2028.

Again, the Government agree with the principle of increasing the ambition for minimum energy-efficiency standards to help reduce energy bills for tenants and to deliver carbon savings to meet our net-zero and achieve our fuel poverty targets. That was reflected in the Government's consultation, which has been referred to, on proposals to raise the minimum energy-efficiency standard for privately rented homes to EPC C for new tenancies from 1 April 2025 and for all tenancies by 1 April 2028. We are currently considering the results of that consultation, but, as I have said in the House before, it is not an easy policy to progress. There are already shortages of rented accommodation in many parts of the country, and it is certainly not my ambition to further increase those shortages, so we will have to be careful how we proceed in that legislation. The Government also consulted on a minimum energy-efficiency standard for non-domestic privately rented buildings of EPC C by 2027, and EPC B by 2030.

Under the Energy Act 2011, the Secretary of State already has the necessary powers to amend the PRS regulations to raise the minimum energy-efficiency standards and set the dates by which landlords must comply with the new energy standards. As I explained in Committee, the amendment would not allow us to reflect the immense amount of valuable feedback that we received from the consultation in the final policy design that we are currently working on. This will be essential to ensure that it is fair and proportionate for tenants, of course, but also for landlords themselves. As I said at the time, we intend to publish the summary of responses to this consultation later in the year, as confirmed in the powering up Britain Statement.

I hope that I have been able to reassure noble Lords as to our ambitions in this area. We want to see the same policy outcomes as do many in this House and we are already working on many of these areas. I hope that my reassurances will enable the noble Baroness to withdraw her amendment.

**Baroness Hayman (CB):** My Lords, I am grateful to everyone who has spoken on this important issue. The Minister said, in essence, that there is no difference between the Government and my amendment. If that is so, it will not be such a big deal for them to accept it. However, the truth of the matter is that this amendment would mandate action in this area, and in a specific timeframe. I am sad to say that the Government have a credibility problem in this area with their own ambitions, objectives and restatements of policy. I have been very much supported from all Benches—I am particularly grateful to the noble Lord, Lord Deben—and I wish to test the opinion of the House.

5.23 pm

*Division on Amendment 97*

*Contents 227; Not-Contents 194.*

*Amendment 97 agreed.*

## Division No. 1

### CONTENTS

Aberdare, L.	Griffiths of Burry Port, L.
Addington, L.	Grocott, L.
Allan of Hallam, L.	Hacking, L.
Alli, L.	Hain, L.
Alton of Liverpool, L.	Hamwee, B.
Amos, B.	Hannay of Chiswick, L.
Anderson of Stoke-on-Trent, B.	Hanworth, V.
Anderson of Swansea, L.	Harries of Pentregarth, L.
Andrews, B.	Harris of Haringey, L.
Austin of Dudley, L.	Harris of Richmond, B.
Bakewell of Hardington Mandeville, B.	Haskel, L.
Barker, B.	Haworth, L.
Bassam of Brighton, L.	Hayman of Ullock, B.
Beith, L.	Hayman, B. [Teller]
Benjamin, B.	Hayter of Kentish Town, B.
Bennett of Manor Castle, B.	Healy of Primrose Hill, B.
Berkeley, L.	Hendy, L.
Best, L.	Henig, B.
Blackstone, B.	Hogan-Howe, L.
Blake of Leeds, B.	Hope of Craighead, L.
Blunkett, L.	Howarth of Newport, L.
Bonham-Carter of Yarnbury, B.	Humphreys, B.
Bowles of Berkhamsted, B.	Hunt of Kings Heath, L.
Boycott, B.	Hussain, L.
Bradley, L.	Hussein-Ece, B.
Brinton, B.	Inglewood, L.
Brooke of Alverthorpe, L.	Janke, B.
Brown of Cambridge, B.	Jay of Ewelme, L.
Browne of Ladyton, L.	Jolly, B.
Bruce of Bennachie, L.	Jones of Moulsecomb, B.
Burt of Solihull, B.	Jones of Whitchurch, B.
Butler of Brockwell, L.	Jones, L.
Butler-Sloss, B.	Jordan, L.
Campbell of Pittenweem, L.	Kennedy of Cradley, B.
Campbell-Savours, L.	Kennedy of Southwark, L.
Carter of Coles, L.	Kennedy of The Shaws, B.
Cashman, L.	Kerr of Kinlochard, L.
Chakrabarti, B.	Kerstenbaum, L.
Chandos, V.	Khan of Burnley, L.
Chapman of Darlington, B.	Kidron, B.
Chartres, L.	Kingsmill, B.
Clancarty, E.	Knight of Weymouth, L.
Clark of Windermere, L.	Kramer, B.
Clement-Jones, L.	Laming, L.
Coaker, L.	Lawrence of Clarendon, B.
Colville of Culross, V.	Lennie, L.
Craig of Radley, L.	Levy, L.
Craigavon, V.	Liddell of Coatdyke, B.
Crisp, L.	Liddle, L.
Davies of Brixton, L.	Lipsey, L.
Deben, L.	Lister of Burtsett, B.
Deech, B.	Livermore, L.
Dholakia, L.	Londesborough, L.
Donaghy, B.	Ludford, B.
Drake, B.	Lytton, E.
D'Souza, B.	Mackenzie of Framwellgate, L.
Dubs, L.	Mandelson, L.
Falconer of Thoroton, L.	Mawson, L.
Faulkner of Worcester, L.	Maxton, L.
Finlay of Llandaff, B.	McAvoy, L.
Foster of Bath, L.	McConnell of Glenscorrodale, L.
Foulkes of Cumnock, L.	McIntosh of Hudnall, B.
Fox, L.	McNally, L.
Gale, B.	McNicol of West Kilbride, L.
Garden of Frogmal, B.	Meacher, B.
Goddard of Stockport, L.	Mendelsohn, L.
Golding, B.	Merron, B.
Goldsmith, L.	Monks, L.
Grender, B.	Morgan of Huyton, B.
Grey-Thompson, B.	

Morris of Yardley, B.  
Morse, L.  
Neuberger, B.  
Newby, L.  
Northover, B.  
Nye, B.  
Oates, L.  
O'Grady of Upper Holloway,  
B.  
O'Neill of Bengarve, B.  
Osamor, B.  
Paddick, L.  
Palmer of Childs Hill, L.  
Parminter, B.  
Patel, L.  
Pinnock, B.  
Ponsonby of Shulbrede,  
L.  
Prashar, B.  
Primarolo, B.  
Prosser, B.  
Purvis of Tweed, L.  
Ravensdale, L.  
Razzall, L.  
Reduck, B.  
Redesdale, L.  
Reid of Cardowan, L.  
Ricketts, L.  
Ritchie of Downpatrick, B.  
Roberts of Llandudno, L.  
Robertson of Port Ellen, L.  
Rogan, L.  
Rooker, L.  
Rowlands, L.  
Russell of Liverpool, L.  
Sandwich, E.  
Scott of Needham Market,  
B.  
Scriven, L.  
Sharkey, L.  
Sheehan, B.  
Sherlock, B.  
Shipley, L.  
Sikka, L.  
Smith of Newnham, B.  
Snake, L.

St Albans, Bp.  
St John of Bletso, L.  
Stansgate, V.  
Stevens of Birmingham, L.  
Stevenson of Balmacara, L.  
Stoneham of Droxford, L.  
Storey, L.  
Strasburger, L.  
Suttie, B.  
Symons of Vernham Dean, B.  
Taylor of Bolton, B.  
Taylor of Goss Moor, L.  
Taylor of Stevenage, B.  
Teverson, L.  
Thomas of Winchester, B.  
Thornton, B.  
Tomlinson, L.  
Tope, L.  
Touhig, L.  
Triesman, L.  
Truscott, L.  
Tunncliffe, L.  
Turnberg, L.  
Twycross, B.  
Tyler of Enfield, B.  
Uddin, B.  
Vaux of Harrowden, L.  
Wallace of Saltaire, L.  
Walney, L.  
Warner, L.  
Warwick of Undercliffe, B.  
Watkins of Tavistock, B.  
Watson of Invergowrie, L.  
West of Spithead, L.  
Wheatcroft, B.  
Wheeler, B. [Teller]  
Whitaker, B.  
Whitty, L.  
Wilcox of Newport, B.  
Willis of Summertown, B.  
Wood of Anfield, L.  
Woodley, L.  
Worcester, Bp.  
Wrigglesworth, L.  
Young of Old Scone, B.

Fleet, B.  
Flight, L.  
Fookes, B.  
Forsyth of Drumlean, L.  
Foster of Oxton, B.  
Fox of Buckley, B.  
Frost, L.  
Garnier, L.  
Geddes, L.  
Glendonbrook, L.  
Godson, L.  
Gold, L.  
Goldie, B.  
Goodlad, L.  
Grade of Yarmouth, L.  
Greenhalgh, L.  
Griffiths of Fforestfach, L.  
Grimstone of Boscobel, L.  
Hamilton of Epsom, L.  
Hannan of Kingsclere, L.  
Harding of Winscombe, B.  
Harlech, L.  
Harrington of Watford, L.  
Harris of Peckham, L.  
Haselhurst, L.  
Hayward, L.  
Herbert of South Downs,  
L.  
Hintze, L.  
Hodgson of Abinger, B.  
Hodgson of Astley Abbots,  
L.  
Holmes of Richmond, L.  
Hooper, B.  
Horam, L.  
Howard of Lympne, L.  
Howard of Rising, L.  
Howe, E.  
Howell of Guildford, L.  
Hunt of Wirral, L.  
Jackson of Peterborough, L.  
Jopling, L.  
Kamall, L.  
Keen of Elie, L.  
King of Bridgwater, L.  
Kinnoull, E.  
Kirkham, L.  
Lamont of Lerwick, L.  
Lampard, B.  
Lancaster of Kimbolton, L.  
Lansley, L.  
Lawlor, B.  
Lea of Lymm, B.  
Leicester, E.  
Leigh of Hurley, L.  
Lexden, L.  
Lilley, L.  
Lindsay, E.  
Lingfield, L.  
Liverpool, E.  
Mancroft, L.  
Manzoor, B.  
Markham, L.  
Marland, L.  
Marlesford, L.  
McInnes of Kilwinning, L.  
McIntosh of Pickering, B.  
McLoughlin, L.  
Mendoza, L.  
Minto, E.  
Mobarik, B.  
Montrose, D.  
Morris of Bolton, B.

Morrissey, B.  
Moylan, L.  
Moynihan, L.  
Murray of Blidworth, L.  
Naseby, L.  
Neville-Jones, B.  
Neville-Rolfe, B.  
Newlove, B.  
Nicholson of Winterbourne,  
B.  
Noakes, B.  
Norton of Louth, L.  
O'Neill of Bexley, B.  
Offord of Garvel, L.  
Parkinson of Whitley Bay,  
L.  
Patten, L.  
Peel, E.  
Penn, B.  
Pickles, L.  
Pidding, B.  
Polak, L.  
Popat, L.  
Porter of Spalding, L.  
Ranger, L.  
Reay, L.  
Redfern, B.  
Risby, L.  
Robathan, L.  
Roberts of Belgravia, L.  
Roborough, L.  
Rock, B.  
Sanderson of Welton, B.  
Sandhurst, L.  
Sarfraz, L.  
Sassoon, L.  
Scott of Bybrook, B.  
Secombe, B.  
Selkirk of Douglas, L.  
Sewell of Sanderstead, L.  
Sharpe of Epsom, L.  
Shephard of Northwold, B.  
Sherbourne of Didsbury,  
L.  
Shinkwin, L.  
Smith of Hindhead, L.  
Soames of Fletching, L.  
Stedman-Scott, B.  
Stewart of Dirleton, L.  
Stirrup, L.  
Stowell of Beeston, B.  
Strathcarron, L.  
Strathclyde, L.  
Sugg, B.  
Swire, L.  
Taylor of Holbeach, L.  
Trenchard, V.  
True, L.  
Tugendhat, L.  
Tyrie, L.  
Udny-Lister, L.  
Vaizey of Didcot, L.  
Vere of Norbiton, B.  
Verma, B.  
Wasserman, L.  
Waverley, V.  
Wei, L.  
Williams of Trafford, B.  
[Teller]  
Wrottesley, L.  
Wyld, B.  
Young of Cookham, L.  
Younger of Leckie, V.

#### NOT CONTENTS

Agnew of Oulton, L.  
Ahmad of Wimbledon, L.  
Altrincham, L.  
Anelay of St Johns, B.  
Arbuthnot of Edrom, L.  
Arran, E.  
Ashcombe, L.  
Ashton of Hyde, L.  
Attlee, E.  
Balfe, L.  
Barran, B.  
Bellamy, L.  
Benyon, L.  
Berridge, B.  
Bertin, B.  
Bethell, L.  
Black of Brentwood, L.  
Blackwood of North Oxford,  
B.  
Blencathra, L.  
Bloomfield of Hinton  
Waldrist, B.  
Borwick, L.  
Bottomley of Nettlestone, B.  
Brady, B.  
Bray of Coln, B.  
Bridges of Headley, L.  
Browne of Belmont, L.  
Browning, B.

Caitness, E.  
Callanan, L.  
Camrose, V.  
Carrington of Fulham,  
L.  
Chisholm of Owlpen, B.  
Choudrey, L.  
Colgrain, L.  
Courtown, E. [Teller]  
Crathorne, L.  
Cruddas, L.  
Cumberlege, B.  
Dannatt, L.  
Davies of Gower, L.  
De Mauley, L.  
Dobbs, L.  
Duncan of Springbank,  
L.  
Dundee, E.  
Eaton, B.  
Eccles of Moulton, B.  
Eccles, V.  
Evans of Bowes Park, B.  
Evans of Rainow, L.  
Fairfax of Cameron, L.  
Faulks, L.  
Fink, L.  
Finkelstein, L.  
Finn, B.

5.37 pm

Amendment 98 not moved.

**Clause 212: Appeals****Amendments 99 to 103****Moved by Lord Callanan**

**99:** Clause 212, page 177, line 13, at end insert—

“(A1) ESOS regulations that provide for the imposition of a financial penalty must also provide for a right of appeal to a court or tribunal against the imposition of the penalty.”

Member’s explanatory statement

This amendment requires ESOS regulations that provide for the imposition of financial penalties to include provision for a right of appeal.

**100:** Clause 212, page 177, line 17, after “imposed” insert “(other than financial penalties)”

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13, which makes provision about appeals against the imposition of a financial penalty.

**101:** Clause 212, page 177, line 19, leave out “The regulations” and insert “Regulations that make provision by virtue of subsection (1)”

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13, which makes provision about appeals against the imposition of a financial penalty.

**102:** Clause 212, page 177, line 20, at end insert “made by virtue of that subsection”

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13.

**103:** Clause 212, page 177, line 21, after “subsection” insert “(A1) or”

Member’s explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13.

*Amendments 99 to 103 agreed.*

**Amendment 104****Moved by Baroness McIntosh of Pickering**

**104:** After Clause 244, insert the following new Clause—

**“Marine habitats: reducing effects of offshore wind developments**

- (1) The Secretary of State may, by regulations, prohibit offshore wind developments in marine protected areas.
- (2) The Secretary of State may, by regulations, prevent consent being granted for an offshore wind development if the mitigation hierarchy has not been followed.
- (3) “Mitigation hierarchy” means a framework for developers to address harms to biodiversity and ecosystems caused by developments, based on the sequential and iterative application of actions to avoid, mitigate, and then compensate for, such harms.
- (4) Subsections (1) and (2) apply to—
  - (a) an offshore installation used for or in connection with wind energy generation;
  - (b) offshore infrastructure, including cables and pipelines, connected to such an installation;
  - (c) infrastructure connected to such an installation that is being decommissioned, has been decommissioned, or has been abandoned.
- (5) Regulations under this section are subject to the affirmative procedure.”

Member’s explanatory statement

This new Clause would strengthen protection for marine protected areas from damage related to energy infrastructure and ensure the mitigation hierarchy is followed.

**Baroness McIntosh of Pickering (Con):** My Lords, it gives me great pleasure to speak to Amendment 104. I look forward to hearing from other noble Lords with amendments in this group, notably the noble Lord, Lord Teverson, looking at the prohibition of coal mines in Amendment 131. Amendment 124, tabled by the noble Baroness, Lady Sheehan, looks at the prevention of flaring and venting, which causes great concern. The noble Baroness, Lady Bennett of Manor Castle, also has an amendment looking at the

“Prohibition ... of new oil and gas fields and issuing of exploration licences, and of new coal mines”.

I will restrict my remarks to the mitigation hierarchy. I start by saying that I welcome the government amendments to the Levelling-Up and Regeneration Bill—Amendments 373A through to 373F—which I understand will add the mitigation hierarchy to that Bill. I thank my noble friend the Minister and his colleagues in DLUHC for listening to the concerns expressed by myself and other noble Lords at earlier stages of proceedings.

However, I will press my noble friend to confirm the extent to which this commitment applies only to new environmental outcome reports. For greater clarity, will this matter relate to all environmental outcome reports or just the new ones that will take effect at that time? Further to that, for my better understanding and to assist the House in considering Amendment 104, to what extent will tests be included within these environmental outcome reports? What will those tests cover? Will my noble friend go as far as to say that the tests will cover the site assessments involved in offshore wind planning?

The purpose of Amendment 104, which I am delighted to have the opportunity to speak to today, is to strengthen the protection for marine protected areas from damage related to energy infrastructure, and to ensure that the mitigation hierarchy is followed. I was delighted to serve on the EU Environment Sub-Committee, chaired by the noble Lord, Lord Teverson, for a short period. We took compelling evidence on the serious disruption caused by both the construction and operation phases of wind farms. So I put to my noble friend the Minister that ample academic and other evidence proves that this damage to sea mammals, seabirds and other creatures—indeed, to all marine life—is substantial.

This is a probing amendment and I do not intend to press it to a vote, but I would be interested to learn to what extent the addition of the mitigation hierarchy, in the amendments that the Government have tabled to the levelling-up Bill, will cover these points—namely, that this will apply to all environmental outcome reports and that this will cover site assessments involved in offshore wind planning. Earlier, I argued that there should potentially be a moratorium—I am sure the Government would not welcome that—on new applications for offshore wind developments, until we understand that the mitigation hierarchy will be followed. With those few remarks, I beg to move Amendment 104.

**Baroness Sheehan (LD):** My Lords, I will speak to Amendment 124 in my name, but, before I do so, I will take some time to support my noble friend Lord Teverson's Amendment 131—I will not say much else until he has had a chance to speak to it. I also support the amendment in this group in the name of the noble Baroness, Lady Bennett, which would stop the issuing of new licences for fossil-fuel exploration and exploitation in the North Sea.

Amendment 124, on “flaring and venting”, follows on quite neatly from the two amendments in the previous group on energy conservation in the home. I am delighted by, and congratulate the noble Baroness, Lady Hayman, on, her decisive win on that issue. The Government ought to have grasped that low-hanging fruit with both hands already, and flaring and venting in the North Sea is more low-hanging fruit that the Government have failed to grasp. It too could use energy that we already generate in a much more effective and efficient manner. A ban on oil and gas flaring and venting in the North Sea is the single most effective action that the Government could take to dramatically reduce methane emissions from that sector.

5.45 pm

That is quite a sweeping statement, but it has the support of the Environmental Audit Committee and the much-quoted *Mission Zero* independent review conducted by Chris Skidmore MP at the Government's behest. So the Government's own report has come to the conclusion, together with the EAC, that a moratorium on flaring and venting in the North Sea is long overdue and should take place by 2025. It is eminently doable. The tools to do it are in place, and the IEA is absolutely adamant on that score, so all we really need is leadership and political will.

This is important because the waste is quite shocking. The amount of methane gas we just set a match to in the North Sea amounts to 760,000 UK homes that could be heated. Not only do we waste the energy but we waste the monetary value inherent in it, because we could capture the gas and sell it. Why is methane so important? It accounts for a full 30% of global warming, and the levels of methane in the atmosphere are surging. Methane emission really matters; it is a large factor in the huge climate catastrophe we are facing at the moment. We should consider that it is 80 times more effective and potent as a greenhouse gas than carbon dioxide. The only advantage, if there is any, of methane emissions and curbing them is that it is short lived. It has a lifespan of 20 years in the atmosphere, so if we were able to take action to curb methane emissions, it would have an immediate impact in the timeframe in which we are looking to meet the Government's own net-zero targets.

The Government fully realise this. At COP 26, we were one of the leading nations in signing the global methane pledge to reduce emissions by 30% by 2030, so the Government already recognise how important this is. It is within their grasp, it will not cost them anything, and it will save ordinary households lots of money. It is a no-brainer, so I hope that the Minister will be able to give me some positive reassurance that this is an issue that the Government are taking extremely

seriously and that they realise how important it is that we are shown to be leading on this globally, because our leadership matters globally.

**Baroness Bennett of Manor Castle (GP):** My Lords, it is a pleasure to follow the noble Baroness, Lady Sheehan, and to offer the strongest possible Green support for her Amendment 124, which would prohibit the flaring and venting of hydrocarbons other than in an emergency. The case has already been very powerfully made, but I will add that this has been a recommendation of the Commons Environmental Audit Committee and what is known as the Skidmore report—the *Mission Zero* independent review. It is something that other nations are well in advance of us on—a point that forms something of a theme for my remarks.

I also support for Amendment 131, which we have not heard fully set out yet, on no new coal mines. It has broad cross-party and non-party support, and it is obvious that we cannot have new coal.

I shall speak chiefly to my Amendment 138B, which goes further. Very simply, it would prohibit new oil, gas and coal extraction. I tabled a similar amendment in Committee and will not go over the same ground, but I want to briefly make three points. First, in May 2021, the International Energy Agency—not known as a group of radical greenies—called clearly for no new oil, gas or coal. Therefore, my amendment would deliver what the International Energy Agency said had to be done in 2021. We are now in 2023.

Since we were in Committee, we have seen increasing momentum behind the fossil fuel non-proliferation treaty, one element of which is no new oil, gas or coal. Six Pacific nations have issued a joint call to the world to say that this has to happen. The Prime Minister of Vanuatu said that polluting industries would not break from their “business as usual” behaviour without being forced. He said that we had to “explicitly stop the expansion” of production.

We often hear about the Government's desire to be world-leading. It is actually this week, on 19 April, that the state of California is considering a resolution to formally endorse the fossil fuel non-proliferation treaty, which would deliver no new oil, gas or coal. It is going to have a Senate hearing on 19 April, introduced by the Senate Majority Whip, Senator Lena Gonzalez, and co-sponsored by the Indigenous Environmental Network. If the Government really want to be world-leading, they are going to have to catch up.

**Lord Teverson (LD):** My Lords, I commend the noble Baroness, Lady McIntosh of Pickering, for emphasising the mitigation hierarchy in her amendment and for her speech. It is something that is really important to take notice of offshore. I was pleased to add my name to the amendment of my noble friend Lady Sheehan, and I have great sympathy with the amendment from the noble Baroness, Lady Bennett. However, I will speak primarily to Amendment 131.

I guess that if this Bill had come before this House three years ago, I would not have even contemplated putting an amendment down about no more coal, because it would have been totally and absolutely obvious that it would be a really stupid thing for any

[LORD TEVERSON]

nation—let alone the United Kingdom—to do. However, we are in the situation where we have the Government saying that a coalmine in Cumbria should actually go ahead. I put this amendment down because I now wonder, if we have one, what else could happen. It is not specifically about Cumbria, but Cumbria is important.

Let us look at Cumbria for a moment. First, the issue does not revolve just around the production of coking coal for steel. That is estimated to be only 15% of production. The other 85% is expected to be exported. Of course, once that coal leaves our shores, we have absolutely no control over it; it is a commercial decision. We have no control over what that coal is used for, and almost certainly it is going to be used for energy and power generation. Even if we take that 15%, which is supposedly for coking coal, we have a situation where the UK steel industry is actually moving away from carbon-intensive methods into green steel. At the moment, we are some way behind our friends and colleagues in the European Union, in that they have some 38 green steel plants under plan and 10 operating at the moment, all mainly green hydrogen produced by electrolysis. The one proposed in the UK is blue hydrogen with carbon capture and storage, but that is the future. The future is not steel produced by coking coal.

So, in a way, the Cumbria mine project should be unacceptable to us, yet Michael Gove, who I had huge respect for when he was Defra Secretary of State and who introduced a huge number of important environmental improvements and plans that are still echoing beyond his tenure in that role, in December last year—only five months ago—approved the plan for that coal mine. Rather cynically, he approved it up to 2049, one year before we have to have net zero in the United Kingdom.

One of the main reasons I have tabled this amendment, apart from the fact that I would not have thought it even possible that the United Kingdom would contemplate opening a new coal mine, is our international reputation. Of course, as Members will remember, we were the president of COP 26. We had a very successful conference in Glasgow and most of us—all of us, probably—congratulated Alok Sharma on the work he did as president of COP 26. During that conference, the UK Government put out a press release about their own success. This was in November 2021, only some 18 months ago, and it heralds:

“The end of coal—the single biggest contributor to climate change—is in sight thanks to the UK securing a 190-strong coalition of countries and organisations at COP26, with countries such as Indonesia, South Korea, Poland, Vietnam, and Chile announcing clear commitments to phase out coal power”.

The end of coal; that is the message.

The BEIS Minister at the time, someone called Kwasi Kwarteng—noble Lords may have heard of him—said:

“Today marks a milestone moment in our global effort to tackle climate change as nations from all corners of the world unite in Glasgow to declare that coal has no part to play in our future power generation. Spearheaded by the UK’s COP26 Presidency, today’s ambitious commitments made by our international partners demonstrate that the end of coal is in sight. The world is moving in the right direction, standing ready to seal coal’s fate and embrace the environmental and economic benefits of building a future that is powered by clean energy”.

I applaud that statement. It is strong, determined and absolutely to the point. Yet we are about to have a coal mine that will produce coal not just for an outdated steel technology but to be used for power generation.

I am very proud of Britain’s reputation on climate change. On my Benches and others we have criticised many aspects, but we have shown, over coalition Governments, Labour Governments and even the present Conservative Government, that we have moved forward—further, in many ways, than our fellow G7 countries. That is why it is absolutely wrong that we should trash that reputation by one decision to open a new UK coal mine. Who knows? If that happens once, it can happen again. That is why this amendment is so important.

**Lord Deben (Con):** My Lords, first, I have to say to the last speaker that I did not like that word “even”; this Government have introduced the highest targets of any country in the world. They have led the world in the most remarkable way and we should thank them for it—but that makes the argument against coal mines even stronger.

The Climate Change Committee is very careful not to overstep its mark. Its job is to advise on alternative methods and on the aims that we need to set the targets. Very rarely does it say that a particular measure is unacceptable. Indeed, in dealing with the question of new oil and gas, we have been very clear that the Government have to take into account the geopolitical position: you cannot just talk about the whole issue of the environment, because we are at war in Ukraine. We have a country determined to squeeze freedom out of Europe. We are concerned in all sorts of areas and we have to make very difficult decisions, so I hope my noble friend will remember how careful the Climate Change Committee has been in looking at these issues.

6 pm

When we came to the coal mine, we were very clear: it is totally unacceptable. I will just remind the House of the facts. The company West Cumbria Mining has its headquarters in Sussex. It is owned by a company that appears to have very close relations with what many people would consider rather unusual tax places. It is not a company that has done much actual development of coal mines; it tends to get planning permission for coal mines. So, first, we have to recognise that this is not a British company based in west Cumbria; it is a company backed by Australian, Singapore and other interests.

We then move on to what the company has said. It has said that this mine is for coking coal. That may be true for 15%, maybe even up to 18%, of its production. All the rest cannot be used in the United Kingdom, even if the British steel industry did not move to a greener future. Therefore, the argument that by producing it here we somehow stop it being produced in the United States and exported here is just not true. What happens to the 80% or 85%? As the noble Lord said, we have no control over that at all—but we know that it will not be sold for coking coal anywhere in Europe, because the rest of Europe is not going to use coking coal. The only thing it can be sold for is precisely what the Government have said it will not be used for.



Defending their decision, the Government have talked constantly as if it will be 100% coking coal, therefore proving that they do not believe in having new mines for coal used for generation. The Government have been quite clear about that: no new coal for generation. Therefore, to allow a mine that will produce 82% to 85% for generation is wholly against the Government's policy.

The one thing I thought unfair in the noble Lord's explanation of his amendment was that he did not go back to the fundamental problem. This is, of course, Mr Gove's fundamental problem, which is that nothing in our present system of planning permission insists that planning decisions must be made in the context of our statutory commitment for the removal of all our emissions into a net-zero situation by 2050. There is nothing that includes the Government's statutory obligations for 2030 or 2035, which is why the Climate Change Committee has said that one of the first priorities for the Government is to amend the planning Acts so that this becomes a necessary precursor to decisions.

It is arguable that the Cumbrian county council would have made a different decision if it had the support of the Acts. It is certainly arguable that Mr Gove might have made a different decision were it not for the fact that, because we do not have it in the Act, we would be in a long series of legal arguments with the people who claim that there is no planning reason for him to have turned down what the independent inspector put forward. There is a lot of argument about the independence of the inspector, and I think the Government have to look very carefully at when people feel that they should excuse themselves from making decisions of this kind—but that is for another place.

I say to the Government simply this: you cannot ask the Indians and the Chinese to move away from coal if you are providing the means for an extension of coal; you cannot say that that is what they missed out. Let us remember Mr Alok Sharma in tears when, at the very last moment, they removed from the last words of the Glasgow agreement the particularity about reducing fossil fuels. As chairman of their independent advisory body, I say to the Government that there is no doubt whatever that allowing this coal mine undermines our international ability to lead the world to a solution which alone will stop the existential threat of climate change. The reason I rise to speak now is to say to my noble friend—again, I hope he will accept that this is a genuine matter to be answered in that way—that this is the most serious issue that he will have to look at, and in it is held the Government's credibility.

Just as I began by complimenting the Government on their leadership, the standards they set and the targets they have put forward, I have to say that if they want to uphold that, they cannot allow any new coal mines, and they must find a way to stop mining which will increase the emissions from the most damaging means of generation. We do not have time to wait while this all works its way through. This is an emergency. When you deal with an emergency, you do not light an ancillary fire. You do not do something which manifestly

runs wholly against everything else you have said, and against everything the Minister has said in defending the Government's policy throughout the passage of the Energy Bill.

**Baroness Blake of Leeds (Lab):** My Lords, I thank all noble Lords for their very important contributions on the amendments in this group. It is an enormous privilege to follow the noble Lord, Lord Deben, with his experience and expertise in the subject matter before us today. I want to keep my comments brief as we have had a lot of opportunity in different discussions and debates, particularly during the passage of this Bill, to try to get across just how strong the feelings are around the House on these matters.

I pay tribute to the noble Baroness, Lady Sheehan, for her amendment on the burning of methane and other hydrocarbons produced during oil extraction. As we have heard, very distinguished bodies have come out against this. In particular, there is a real concern that not taking notice of the need to address this issue undermines the UK's commitments made at COP 26 and COP 27 under the global methane pledge. We need to take this seriously. We have heard how important the contribution of methane is towards the UK's net greenhouse gas emissions. Just to add to the statistics around this, during the last decade the UK has wasted £2.6 billion in lost gas sales due to flaring and venting, and released 45 million tonnes of carbon dioxide into the atmosphere. When you put that into the context—as the noble Baroness, Lady Sheehan, did—of what could have been done with that fuel, it is a lesson that needs to be learned.

I concentrate my comments this afternoon on Amendment 131 in the name of the noble Lord, Lord Teverson, and supported by the noble Baronesses, Lady Sheehan and Lady Boycott, and my noble friend Lord Lennie. As we have heard, this amendment is specifically to prevent the opening of new coal mines in England and is a response to the proposed opening of a new coal mine in Cumbria. I have said before that I am really concerned about the message this coal mine sends out. It undermines totally our claim to be an international leader on climate. One only had to look at the press reports from around the world after the announcement was made to understand just how damaging this is.

I fully support the comments from the noble Lord, Lord Deben, on the planning system. I hope that we can move forward on this, so that local authorities and anyone who has a role in making decisions through the planning system have the necessary tools to stand up and not be concerned about the extortionate costs that would come their way if, after having turned down an application, it was turned over on appeal.

The other area that we have not emphasised enough is this: we cannot even claim that the coal mine in Cumbria would provide secure, long-term jobs. That just is not part of the equation here. As we have heard, it will not benefit British Steel. We are already seeing a significant decline in the coal used by the UK steel industry, including a 19% drop in demand for coking coal to run UK blast furnaces. As the noble Lord, Lord Teverson, said, the future is not coking coal.

[BARONESS BLAKE OF LEEDS]

I am not sure if anyone has mentioned the rather fanciful claim that this mine would be the first carbon-neutral operation of its kind. How can we stand here and say this seriously and honestly, and with particular regard to the fact that, as we have heard, a high percentage of the coal would be exported and so we would have no control over its use.

I am very disappointed that part of the debate around opposing the mine has ignored the far greater opportunities of investing in new green technologies for the local area. It is a perfect area for so many of the possibilities that are coming our way with real, sustainable jobs.

I repeat that Alok Sharma, a former president of COP, said last December that opening

“a new coalmine would send completely the wrong message and be an own goal”.

Surely we should be doubling onshore wind capacity, tripling solar capacity and quadrupling offshore wind capacity. I hope I have made it clear that on our Benches we support the amendment in the name of the noble Lord, Lord Teverson.

**Lord Callanan (Con):** I thank all noble Lords for their amendments and contributions.

I will just make an observation first, having listened with great interest to the noble Baroness, Lady Blake. I was actually hoping that the noble Lord, Lord Lennie, would reply to this debate, as a fellow politician from the north-east of England. He will know very well that, in virtually every election that I fought in the region, the Labour Party campaigned against the closing of coal mines. I will be gracious and accept that time moves on, but it was only fairly recently that some of their parliamentary colleagues in the other place were campaigning for the opening of new coal mines and against the closing of old ones. Time moves on in politics but, had you said to me 10 or 15 years ago that I would be standing up in the House of Lords opposite a Labour Party telling me it does not want to see the opening of any coal mines, I would not have believed you.

6.15 pm

Turning to the substance of the amendments, I will start with Amendment 131 in the names of the noble Lords, Lord Teverson and Lord Lennie, and the noble Baronesses. I thank the noble Baroness, Lady Blake, for her contribution; I do not know what the Labour Party in Yorkshire did, but I suspect that it had a similar position. Both this amendment and Amendment 138B would prohibit the opening of new coal mines in Great Britain, while Amendment 138B would also prevent the licensing or development of new oil and gas fields.

Let me reiterate the Government’s policy. As we have said many times before, we are committed to phasing coal out of our electricity production by 2024. In 2021, coal formed less than 2% of our electricity generation. This permits me another observation; let us look at other equivalent economies. Germany is a particularly good example. Yesterday, it announced the end of its nuclear production—no doubt something cheered by the noble Baroness, Lady Bennett, and the

Greens—forgetting the slightly inconvenient point that, last year, Germany generated 31% of its electricity production from coal, compared with our 1.8%. It is also in the process, as we speak, of opening new mines for lignite, the dirtiest and most polluting form of coal; of course, it has no alternative because it has got rid of the other forms of generation. I am sure that the Greens in government there are proud of their successful record.

As I said, we are committed to phasing coal out. It will form less than 2% of our electricity generation next year. It will no longer be part of our electricity system. Of course, there may still be some domestic demand for coal in industries such as steel and cement, as well as a small usage in sectors such as heritage railway. This can be met from domestic resources under existing licensing arrangements, rather than imported coal, which can have higher supply chain emissions from transportation.

In taking the decision on the Cumbria mine, the Secretary of State for the Department for Levelling Up, Housing and Communities carefully considered all those demands for coal, the impact on climate change and, importantly, the impact on the local economy. Although coking coal will be required for steel production for some time to come, the UK is working to support the decarbonisation of the steel industry and other industries that still rely on coking coal and, I remind noble Lords, employ many tens of thousands of people. We are supporting the end of its use through the £315 million industrial energy transformation fund. In our view, the phasing out of coal-fired power plants, to which the Government have committed since 2015, is a more proportionate response than an outright prohibition on coal mining.

On oil and gas, we are working to reduce our reliance on fossil fuels as we work towards net zero, but we will need some of them for some time to come. By taking an idealistic position and preventing both the development of new oil and gas fields and the issuing of exploration licences, this amendment would cause a faster decline in UK oil and gas production. This would have considerable ramifications; critical among them is the potential severe weakening of our security of supply.

Further, a faster decline in UK production would have the proportionate effect of forcing us to increase our imports of liquefied natural gas. North Sea Transition Authority research shows that the production and import of LNG results in more than double the emissions released when compared with the production of natural gas from our own continental shelf; of course, that disregards all the tax revenues and all the jobs of the people employed in those areas. It would be the ultimate self-defeating policy. Imposing a blanket ban on new oil and gas fields would be a completely disproportionate step and would limit the UK’s ability to respond to changes in the global energy system in future.

Moving on to Amendment 104 from my noble friend Lady McIntosh, I welcome her ongoing interest in our marine protected areas network. The Government recently committed to designating three new highly protected marine areas, which will have the highest level of protection. If designed appropriately, offshore

wind developments can avoid damage to marine protected areas, so we see no need to prohibit offshore wind development in them.

The existing requirement to work through the so-called mitigation hierarchy—that is, to first consider avoidance, then mitigation, of environmental impacts—is already an established principle of environmental and planning law. Under the Planning Act 2008, the Secretary of State must decide a project’s application in accordance with the energy national policy statements and the UK marine policy statement. The Government are consulting on the updated energy national policy statements, which clearly state that applicants should follow the hierarchy to avoid, as far as possible, the need for compensatory measures. As my noble friend Lady McIntosh mentioned, this position is being further strengthened through the inclusion of the mitigation hierarchy in the Levelling-up and Regeneration Bill, which will apply to environmental outcome reports.

The Government therefore consider this to be a much more effective approach that will apply to all industries, rather than solely to offshore wind development. The expectation to follow the mitigation hierarchy is also inherent in various marine and coastal statutory provisions which, as per Clause 243(6), the Bill cannot disapply. This will ensure that applicants continue to avoid impacts as much as possible by following the mitigation hierarchy. Therefore, with these reassurances, I hope that my noble friend can see that the Government are committed to the mitigation hierarchy through a range of legislative and non-legislative mechanisms, which should ensure that industry continues to abide by it, and so will feel able to withdraw her amendment.

I thank the noble Baroness, Lady Sheehan, for her Amendment 124 on the prohibition of flaring and venting oil and gas installations, on which we had an Oral Question recently. The Government recognise that eliminating emissions from routine flaring and venting of gas by companies operating in the North Sea is a priority. We already have ambitious plans to do that. We have committed to the World Bank’s zero routine flaring by 2030 initiative, and we are working with regulators towards eliminating the practice as soon as possible. In the North Sea transition deal, industry has committed to driving down flaring and venting ahead of 2030. However, retrofitting older facilities to stop routine flaring and venting brings complex technical and economic challenges. Industry has shown that it is committed to cleaner operations and has made substantial investment to minimise the practice. The North Sea Transition Authority’s proactive approach and industry effort are reaping rewards. Based on its latest data, North Sea flaring is down 50% since 2018, after a 13% drop last year. I welcome this progress and hope that the noble Baroness does too.

I thank all noble Lords for their amendments and hope, perhaps without too much optimism, that with these reassurances they feel able not to press their amendments.

**Baroness Sheehan (LD):** Flaring and venting is something that I am keen on eliminating, and I will use every opportunity in the House to progress the issue further. Therefore, would it be sensible for the

Minister to agree to meet with me and other noble Lords who have expressed an interest in this issue, so that we can talk sensibly about it, going forwards?

**Lord Callanan (Con):** I did organise a recent meeting with officials to discuss the issue, at the request of the noble Baroness’s Front-Bench colleague, the noble Lord, Lord Teverson. The noble Baroness had the opportunity to attend if she had wished to.

**Baroness McIntosh of Pickering (Con):** My Lords, I am grateful for the discussion that we have had on the various amendments in this group, and that my noble friend the Minister referred to the use of coal on heritage railways. I am delighted to say that I am president of the North Yorkshire Moors Railway and hope that we can continue to enjoy the spectacular scenery and days out that heritage railways offer.

I am disappointed that my noble friend missed an opportunity to explain to the House specifically which areas the amendments to the levelling up Bill will cover. Rather than detain the House further at this stage, I will pursue that through Written Questions, where I will have to get an Answer. I beg leave to withdraw my amendment.

*Amendment 104 withdrawn.*

**Clause 246: Arrangements for responding to marine oil pollution**

*Amendment 105*

*Moved by Lord Callanan*

**105:** Clause 246, page 208, line 16, at end insert—

“(8A) Where regulations under subsection (1) or (5) provide for the imposition of a civil penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

Member’s explanatory statement

This amendment requires regulations under Clause 246 (arrangements for responding to marine oil pollution) that provide for the imposition of civil penalties to include provision for a right of appeal.

*Amendment 105 agreed.*

**Clause 247: Habitats: reducing effects of offshore oil or gas activities etc**

*Amendments 106 and 107*

*Moved by Lord Callanan*

**106:** Clause 247, page 210, line 7, at end insert—

“(8A) Where regulations under this section provide for the imposition of a civil penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

Member’s explanatory statement

This amendment requires regulations under Clause 247 (habitats: reducing effects of offshore oil or gas activities etc) that provide for the imposition of civil penalties to include provision for a right of appeal.

**107:** Clause 247, page 210, line 8, leave out subsections (9) and (10) and insert—

“(9) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This amendment provides that any regulations under Clause 247 (habitats: reducing effects of offshore oil or gas activities etc) are subject to the affirmative procedure.

*Amendments 106 and 107 agreed.*

**Clause 248: Offshore oil and gas decommissioning: charging schemes**

*Amendments 108 to 123*

Moved by **Lord Callanan**

**108:** Clause 248, page 210, line 22, leave out “Charging schemes” and insert “Charges in connection with exercise of functions under Part 4”

Member's explanatory statement

See the explanatory statement for the amendment in Lord Callanan's name at page 210, line 23.

**109:** Clause 248, page 210, line 23, leave out “make a scheme providing” and insert “by regulations made by statutory instrument provide”

Member's explanatory statement

This amendment provides for charges in connection with the carrying out of functions under Part 4 of the Petroleum Act 1998 to be imposed by regulations, rather than by an administrative scheme.

**110:** Clause 248, page 210, line 27, leave out “A scheme” and insert “Regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**111:** Clause 248, page 210, line 29, leave out “scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**112:** Clause 248, page 210, line 31, leave out “scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**113:** Clause 248, page 210, line 32, leave out “A scheme” and insert “Regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**114:** Clause 248, page 210, line 34, leave out “A scheme” and insert “Regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**115:** Clause 248, page 211, line 3, leave out “A scheme” and insert “Regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**116:** Clause 248, page 211, line 7, leave out “a scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**117:** Clause 248, page 211, line 10, leave out “scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**118:** Clause 248, page 211, line 11, leave out “a scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**119:** Clause 248, page 211, line 12, at end insert—

“(8A) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

Member's explanatory statement

This amendment provides for a statutory instrument containing regulations under new section 38C of the Petroleum Act 1998 (inserted by clause 248) to be subject to the negative procedure.

**120:** Clause 248, page 211, leave out lines 13 to 21

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

**121:** Clause 248, page 211, line 23, at end insert—

“(za) in paragraph (a), for the words from “the reference” to “Scottish Parliament” substitute “sections 38C(8A) and 39(6) of the 1998 Act are to be read as if each of those sections imposed a requirement that regulations under the section concerned are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010);”

Member's explanatory statement

This amendment ensures that where the Scottish Ministers make regulations under new section 38C of the Petroleum Act 1998 (inserted by clause 248), as applied in relation to carbon storage installations by section 30 of the Energy Act 2008, the regulations are subject to negative procedure in the Scottish Parliament.

**122:** Clause 248, page 211, line 24, leave out paragraphs (a) and (b)

Member's explanatory statement

This amendment removes amendments to section 30(2) of the Energy Act 2008 that are no longer thought to be needed.

**123:** Clause 248, page 211, line 34, leave out “a scheme” and insert “regulations”

Member's explanatory statement

This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.

*Amendments 108 to 123 agreed.*

*Amendments 124 to 130 not moved.*

*Amendment 131*

Moved by **Lord Teverson**

**131:** After Clause 264, insert the following new Clause—

**“Prohibition of new coal mines**

- (1) Within six months of the day on which this Act is passed, the Secretary of State must by regulations prohibit the opening of new coal mines and the licensing of new coal mines by the Coal Authority or its successors.
- (2) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This amendment will prevent the opening of new coal mines in England.

**Lord Teverson (LD):** My Lords, I will just say to the noble Lord, Lord Deben—whose speech I very much appreciated—that, in the first group on the levelling-up Bill tomorrow, I have an amendment to include “net zero” in the planning organisation.

I wish to test the opinion of the House on Amendment 131.

6.25 pm

*Division on Amendment 131*

*Contents 197; Not-Contents 194.*

*Amendment 131 agreed.*

## Division No. 2

### CONTENTS

Adams of Craigielea, B.	Glasgow, E.
Addington, L.	Goddard of Stockport, L.
Allan of Hallam, L.	Golding, B.
Amos, B.	Goldsmith, L.
Anderson of Stoke-on-Trent, B.	Greender, B.
Anderson of Swansea, L.	Griffiths of Burry Port, L.
Andrews, B.	Hain, L.
Bakewell of Hardington Mandeville, B.	Hamwee, B.
Barker, B.	Hannay of Chiswick, L.
Bassam of Brighton, L.	Hanworth, V.
Beith, L.	Harries of Pentregarth, L.
Benjamin, B.	Harris of Haringey, L.
Bennett of Manor Castle, B.	Harris of Richmond, B.
Berkeley, L.	Haskel, L.
Blackstone, B.	Haworth, L.
Blake of Leeds, B.	Hayman of Ullock, B.
Bonham-Carter of Yarnbury, B.	Hayman, B.
Bowles of Berkhamsted, B.	Hayter of Kentish Town, B.
Bradley, L.	Healy of Primrose Hill, B.
Brinton, B.	Hendy, L.
Browne of Ladyton, L.	Henig, B.
Bruce of Bannachie, L.	Hogan-Howe, L.
Burt of Solihull, B.	Howarth of Newport, L.
Butler-Sloss, B.	Humphreys, B. [Teller]
Campbell of Pittenweem, L.	Hunt of Kings Heath, L.
Campbell of Surbiton, B.	Hussain, L.
Campbell-Savours, L.	Hussein-Ece, B.
Carter of Coles, L.	Janke, B.
Cashman, L.	Jay of Ewelme, L.
Chakrabarti, B.	Jolly, B.
Chandos, V.	Jones of Moulsecoomb, B.
Chapman of Darlington, B.	Jones of Whitchurch, B.
Chartres, L.	Jones, L.
Clancarty, E.	Kennedy of Cradley, B.
Clark of Windermere, L.	Kennedy of Southwark, L.
Clement-Jones, L.	Kennedy of The Shaws, B.
Coaker, L.	Kerr of Kinlochard, L.
Crisp, L.	Kestenbaum, L.
Cromwell, L.	Khan of Burnley, L.
Davies of Brixton, L.	Kingsmill, B.
Deben, L.	Knight of Weymouth, L.
Dholakia, L.	Kramer, B.
Donaghy, B.	Lawrence of Clarendon, B.
Drake, B.	Layard, L.
Dubs, L.	Lennie, L.
Eatwell, L.	Liddell of Coatdyke, B.
Falconer of Thoroton, L.	Liddle, L.
Foster of Bath, L.	Lipsey, L.
Foulkes of Cumnock, L.	Lister of Burtsett, B.
Fox, L.	Livermore, L.
Gale, B.	Londesborough, L.
Garden of Frogmal, B.	Ludford, B.
Giddens, L.	Mackenzie of Framwellgate, L.
	Maxton, L.

McAvoy, L.	Stansgate, V.
McConnell of Glenscorrodale, L.	Stevens of Birmingham, L.
McIntosh of Hudnall, B.	Stevenson of Balmacara, L.
McNally, L.	Stoneham of Droxford, L.
McNicol of West Kilbride, L.	[Teller]
Meacher, B.	Storey, L.
Merron, B.	Strasburger, L.
Monks, L.	Stuart of Edgbaston, B.
Morgan of Drefelin, B.	Suttie, B.
Morgan of Huyton, B.	Symons of Vernham Dean, B.
Morris of Yardley, B.	Taverne, L.
Newby, L.	Taylor of Bolton, B.
Northover, B.	Taylor of Goss Moor, L.
Nye, B.	Taylor of Stevenage, B.
Oates, L.	Teverson, L.
O’Grady of Upper Holloway, B.	Thomas of Cwmgiedd, L.
O’Neill of Bengarve, B.	Thomas of Winchester, B.
Osamor, B.	Thornton, B.
Paddick, L.	Thurso, V.
Palmer of Childs Hill, L.	Tomlinson, L.
Parminter, B.	Tope, L.
Pinnock, B.	Touhig, L.
Ponsonby of Shulbrede, L.	Triesman, L.
Primarolo, B.	Tunncliffe, L.
Purvis of Tweed, L.	Turnberg, L.
Ramsay of Cartvale, B.	Twycross, B.
Ravensdale, L.	Tyler of Enfield, B.
Razzall, L.	Uddin, B.
Rebuck, B.	Vaux of Harrowden, L.
Redesdale, L.	Wallace of Saltaire, L.
Reid of Cardowan, L.	Warwick of Undercliffe, B.
Ricketts, L.	Watson of Invergowrie, L.
Ritchie of Downpatrick, B.	Watson of Wyre Forest, L.
Roberts of Llandudno, L.	West of Spithhead, L.
Robertson of Port Ellen, L.	Wheatcroft, B.
Rogan, L.	Wheeler, B.
Rowlands, L.	Whitaker, B.
Russell of Liverpool, L.	Whitty, L.
Scott of Needham Market, B.	Wilcox of Newport, B.
Scriven, L.	Willis of Summertown, B.
Sharkey, L.	Winston, L.
Sheehan, B.	Woodley, L.
Sherlock, B.	Worcester, Bp.
Shipley, L.	Wrigglesworth, L.
Sikka, L.	Young of Norwood Green, L.
	Young of Old Scone, B.

### NOT CONTENTS

Agnew of Oulton, L.	Browne of Belmont, L.
Ahmad of Wimbledon, L.	Browning, B.
Altmann, B.	Butler of Brockwell, L.
Altrincham, L.	Caithness, E.
Anelay of St Johns, B.	Callanan, L.
Arbuthnot of Edrom, L.	Camrose, V.
Arran, E.	Carrington of Fulham, L.
Ashcombe, L.	Chisholm of Owlpen, B.
Ashton of Hyde, L.	Choudrey, L.
Attlee, E.	Colgrain, L.
Balfe, L.	Craig of Radley, L.
Barran, B.	Craigavon, V.
Bellamy, L.	Cruddas, L.
Benyon, L.	Cumberlege, B.
Berridge, B.	Davies of Gower, L.
Bethell, L.	De Mauley, L.
Black of Brentwood, L.	Dobbs, L.
Blackwood of North Oxford, B.	Duncan of Springbank, L.
Blencathra, L.	Eaton, B.
Bloomfield of Hinton Waldrist, B.	Eccles of Moulton, B.
Borwick, L.	Eccles, V.
Bottomley of Nettlestone, B.	Effingham, E.
Brady, B.	Evans of Bowes Park, B.
Bray of Coln, B.	Evans of Rainow, L.
Bridgeman, V.	Fairfax of Cameron, L.
	Faulks, L.
	Fink, L.

Finkelstein, L.  
 Finn, B.  
 Fleet, B.  
 Fookes, B.  
 Forsyth of Drumlean, L.  
 Foster of Aghadrumsee, B.  
 Foster of Oxton, B.  
 Fox of Buckley, B.  
 Fraser of Craigmaddie, B.  
 Frost, L.  
 Garnier, L.  
 Glendonbrook, L.  
 Godson, L.  
 Gold, L.  
 Goldie, B.  
 Goodlad, L.  
 Goschen, V.  
 Grade of Yarmouth, L.  
 Greenhalgh, L.  
 Griffiths of Fforestfach, L.  
 Grimstone of Boscobel, L.  
 Hamilton of Epsom, L.  
 Hannan of Kingsclere, L.  
 Harding of Winscombe, B.  
 Harlech, L.  
 Harrington of Watford, L.  
 Harris of Peckham, L.  
 Haselhurst, L.  
 Hayward, L.  
 Herbert of South Downs, L.  
 Hintze, L.  
 Hodgson of Abinger, B.  
 Hodgson of Astley Abbots,  
 L.  
 Hoey, B.  
 Holmes of Richmond, L.  
 Hooper, B.  
 Hope of Craighead, L.  
 Horam, L.  
 Howard of Rising, L.  
 Howe, E. [Teller]  
 Howell of Guildford, L.  
 Hunt of Wirral, L.  
 Jackson of Peterborough,  
 L.  
 Jopling, L.  
 Kakkar, L.  
 Kamall, L.  
 Keen of Elie, L.  
 King of Bridgwater, L.  
 Kinnoull, E.  
 Kirkham, L.  
 Kirkhope of Harrogate, L.  
 Lamont of Lerwick, L.  
 Lampard, B.  
 Lancaster of Kimbolton, L.  
 Lansley, L.  
 Lawlor, B.  
 Lea of Lymm, B.  
 Leicester, E.  
 Leigh of Hurley, L.  
 Lexden, L.  
 Lilley, L.  
 Lingfield, L.  
 Liverpool, E.  
 Lytton, E.  
 Mancroft, L.  
 Manzoor, B.  
 Markham, L.  
 Marlesford, L.  
 Mawson, L.  
 McInnes of Kilwinning, L.  
 McIntosh of Pickering, B.

McLoughlin, L.  
 Mendoza, L.  
 Meyer, B.  
 Minto, E.  
 Mobarik, B.  
 Morris of Bolton, B.  
 Morrissey, B.  
 Moylan, L.  
 Moynihan, L.  
 Murray of Blidworth, L.  
 Naseby, L.  
 Neville-Jones, B.  
 Neville-Rolfe, B.  
 Nicholson of Winterbourne,  
 B.  
 Noakes, B.  
 Norton of Louth, L.  
 O'Neill of Bexley, B.  
 Offord of Garvel, L.  
 Parkinson of Whitley Bay, L.  
 Patel, L.  
 Peel, E.  
 Penn, B.  
 Pickles, L.  
 Pidding, B.  
 Polak, L.  
 Popat, L.  
 Porter of Spalding, L.  
 Reay, L.  
 Redfern, B.  
 Risby, L.  
 Robathan, L.  
 Roberts of Belgravia, L.  
 Roborough, L.  
 Rock, B.  
 Sanderson of Welton, B.  
 Sandhurst, L.  
 Sandwich, E.  
 Sarfraz, L.  
 Scott of Bybrook, B.  
 Seccombe, B.  
 Selkirk of Douglas, L.  
 Sewell of Sanderstead, L.  
 Sharpe of Epsom, L.  
 Sherbourne of Didsbury, L.  
 Shinkwin, L.  
 Smith of Hindhead, L.  
 Soames of Fletching, L.  
 Stewart of Dirleton, L.  
 Stowell of Beeston, B.  
 Strathcarron, L.  
 Strathclyde, L.  
 Stroud, B.  
 Sugg, B.  
 Swire, L.  
 Taylor of Holbeach, L.  
 Trenchard, V.  
 True, L.  
 Tugendhat, L.  
 Tyrie, L.  
 Udny-Lister, L.  
 Vaizey of Didcot, L.  
 Vere of Norbiton, B.  
 Verma, B.  
 Wasserman, L.  
 Waverley, V.  
 Wei, L.  
 Williams of Trafford, B.  
 [Teller]  
 Wrottesley, L.  
 Wyld, B.  
 Young of Cookham, L.  
 Younger of Leckie, V.

6.36 pm

*Amendment 132 not moved.*

### Amendment 133

#### Moved by **Baroness Hayman**

**133:** After Clause 264, insert the following new Clause—

#### “GEMA general duties relating to climate change

(1) In section 3A(1A) of the Electricity Act 1989 (the principal objective and general duties of the Secretary of State and the Authority), for paragraph (a) substitute—

“(a) their interests in enabling the Secretary of State to meet the targets set under Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting);”.

(2) In section 4AA(1A) of the Gas Act 1986 (the principal objective and general duties of the Secretary of State and the Authority), for paragraph (a) substitute—

“(a) their interests in enabling the Secretary of State to meet the targets set under Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting);”.

Member’s explanatory statement

This amendment seeks to include within Ofgem’s general duties a specific requirement to have regard to meeting the UK’s net zero emissions target.

**Baroness Hayman (CB):** My Lords, we debated this amendment before Easter. At that time, I put forward the case that it was strange that Ofgem, as the regulator for energy, would not have a responsibility for net zero. I explained how many organisations and consumer bodies in the industry supported having such a duty, and asked the Minister why the Government were the odd ones out among all those informed views. I am afraid that he did not give me an answer that I found compelling. Therefore, I wish to test the opinion of the House.

6.37 pm

*Division on Amendment 133*

*Contents 208; Not-Contents 182.*

*Amendment 133 agreed.*

### Division No. 3

#### CONTENTS

Adams of Craigielea, B.	Browne of Ladyton, L.
Addington, L.	Bruce of Bennachie, L.
Allan of Hallam, L.	Burt of Solihull, B.
Alton of Liverpool, L.	Butler of Brockwell, L.
Amos, B.	Butler-Sloss, B.
Anderson of Stoke-on-Trent, B.	Campbell of Pittenweem, L.
Anderson of Swansea, L.	Campbell of Surbiton, B.
Andrews, B.	Campbell-Savours, L.
Bakewell of Hardington Mandeville, B.	Carter of Coles, L.
Barker, B.	Cashman, L.
Bassam of Brighton, L.	Chakrabarti, B.
Beith, L.	Chandos, V.
Benjamin, B.	Chapman of Darlington, B.
Bennett of Manor Castle, B.	Chartres, L.
Berkeley, L.	Clancarty, E.
Best, L.	Clark of Windermere, L.
Blackstone, B.	Clement-Jones, L.
Blake of Leeds, B.	Coaker, L.
Bonham-Carter of Yarnbury, B.	Cromwell, L.
Bowles of Berkhamsted, B.	Davies of Brixton, L.
Bradley, L.	Deben, L.
Brinton, B.	Dholakia, L.
	Donaghy, B.
	Drake, B.
	Dubs, L.

Eatwell, L.  
 Falconer of Thoroton, L.  
 Faulkner of Worcester, L.  
 Finlay of Llandaff, B.  
 Foster of Bath, L.  
 Foulkes of Cumnock, L.  
 Fox, L.  
 Gale, B.  
 Garden of Frognal, B.  
 Giddens, L.  
 Glasgow, E.  
 Goddard of Stockport, L.  
 Golding, B.  
 Godsmith, L.  
 Griffiths of Burry Port, L.  
 Grocott, L.  
 Hain, L.  
 Hamwee, B.  
 Hannay of Chiswick, L.  
 Hanworth, V.  
 Harries of Pentregarth, L.  
 Harris of Haringey, L.  
 Harris of Richmond, B.  
 Haskel, L.  
 Haworth, L.  
 Hayman of Ullock, B.  
 Hayman, B. [Teller]  
 Hayter of Kentish Town, B.  
 Healy of Primrose Hill, B.  
 Hendy, L.  
 Henig, B.  
 Hope of Craighead, L.  
 Howarth of Newport, L.  
 Humphreys, B.  
 Hunt of Kings Heath, L.  
 Hussain, L.  
 Hussein-Ece, B.  
 Inglewood, L.  
 Janke, B.  
 Jolly, B.  
 Jones of Moulsecoomb, B.  
 Jones of Whitchurch, B.  
 Jones, L.  
 Kakkar, L.  
 Kennedy of Cradley, B.  
 Kennedy of Southwark, L.  
 Kennedy of The Shaws, B.  
 Kerr of Kinlochard, L.  
 Kestenbaum, L.  
 Khan of Burnley, L.  
 Kingsmill, B.  
 Kinnoull, E.  
 Knight of Weymouth, L.  
 Kramer, B.  
 Lawrence of Clarendon, B.  
 Layard, L.  
 Lennie, L.  
 Liddell of Coatdyke, B.  
 Liddle, L.  
 Lipsey, L.  
 Lister of Burterset, B.  
 Livermore, L.  
 Londesborough, L.  
 Ludford, B.  
 Lytton, E.  
 Mackenzie of Framwellgate,  
 L.  
 Mawson, L.  
 Maxton, L.  
 McAvoy, L.  
 McConnell of Glenscorrodale,  
 L.  
 McIntosh of Hudnall, B.  
 McNally, L.  
 McNicol of West Kilbride, L.  
 Meacher, B.  
 Mendelsohn, L.  
 Merron, B.

Monks, L.  
 Morgan of Drefelin, B.  
 Morgan of Huyton, B.  
 Newby, L.  
 Northover, B.  
 Nye, B.  
 Oates, L.  
 O'Neill of Bengarve, B.  
 Osamor, B.  
 Paddick, L.  
 Palmer of Childs Hill, L.  
 Parminter, B.  
 Pinnock, B.  
 Ponsonby of Shulbrede, L.  
 Primarolo, B.  
 Purvis of Tweed, L.  
 Ramsay of Cartvale, B.  
 Ravensdale, L.  
 Razzall, L.  
 Rebuck, B.  
 Redesdale, L.  
 Reid of Cardowan, L.  
 Ricketts, L.  
 Ritchie of Downpatrick, B.  
 Roberts of Llandudno, L.  
 Robertson of Port Ellen, L.  
 Rooker, L.  
 Rowlands, L.  
 Russell of Liverpool, L.  
 Sahota, L.  
 Scott of Needham Market, B.  
 Scriven, L.  
 Sharkey, L.  
 Sheehan, B.  
 Sherlock, B.  
 Shipley, L.  
 Sikka, L.  
 Smith of Newnham, B.  
 Snape, L.  
 St John of Bletso, L.  
 Stansgate, V.  
 Stevens of Birmingham, L.  
 Stevenson of Balmacara, L.  
 Stoneham of Droxford, L.  
 Storey, L.  
 Strasburger, L.  
 Stuart of Edgbaston, B.  
 Suttie, B.  
 Symons of Vernham Dean, B.  
 Taverne, L.  
 Taylor of Bolton, B.  
 Taylor of Goss Moor, L.  
 Taylor of Stevenage, B.  
 Teverson, L.  
 Thomas of Cwmgiedd, L.  
 Thomas of Winchester, B.  
 Thornton, B.  
 Thurso, V.  
 Tomlinson, L.  
 Tope, L.  
 Touhig, L.  
 Triesman, L.  
 Tunncliffe, L.  
 Turnberg, L.  
 Twycross, B.  
 Tyler of Enfield, B.  
 Uddin, B.  
 Vaux of Harrowden, L.  
 Wallace of Saltaire, L.  
 Warwick of Undercliffe, B.  
 Watson of Invergowrie, L.  
 Watson of Wyre Forest, L.  
 West of Spithead, L.  
 Wheatcroft, B.  
 Wheeler, B. [Teller]  
 Whitaker, B.  
 Whitty, L.  
 Wilcox of Newport, B.

Willis of Summertown, B.  
 Winston, L.  
 Woodley, L.  
 Worcester, Bp.

Wigglesworth, L.  
 Young of Norwood Green, L.  
 Young of Old Scone, B.

## NOT CONTENTS

Agnew of Oulton, L.  
 Ahmad of Wimbledon, L.  
 Altrincham, L.  
 Anelay of St Johns, B.  
 Arbuthnot of Edrom, L.  
 Ashcombe, L.  
 Ashton of Hyde, L.  
 Attlee, E.  
 Balfe, L.  
 Barran, B.  
 Bellamy, L.  
 Benyon, L.  
 Berridge, B.  
 Bethell, L.  
 Black of Brentwood, L.  
 Blackwood of North Oxford,  
 B.  
 Blencathra, L.  
 Bloomfield of Hinton  
 Waldrist, B.  
 Borwick, L.  
 Bottomley of Nettlestone, B.  
 Brady, B.  
 Bray of Coln, B.  
 Bridgeman, V.  
 Browning, B.  
 Caithness, E.  
 Callanan, L.  
 Camrose, V.  
 Carrington of Fulham, L.  
 Chisholm of Owlpen, B.  
 Choudrey, L.  
 Colgrain, L.  
 Cruddas, L.  
 Cumberlege, B.  
 Davies of Gower, L.  
 De Mauley, L.  
 Dobbs, L.  
 Duncan of Springbank, L.  
 Dundee, E.  
 Eaton, B.  
 Eccles of Moulton, B.  
 Eccles, V.  
 Effingham, E.  
 Evans of Bowes Park, B.  
 Evans of Rainow, L.  
 Fairfax of Cameron, L.  
 Fink, L.  
 Finkelstein, L.  
 Finn, B.  
 Fleet, B.  
 Fookes, B.  
 Forsyth of Drumlean, L.  
 Foster of Aghadrumsee, B.  
 Foster of Oxtou, B.  
 Fox of Buckley, B.  
 Fraser of Craigmaddie, B.  
 Frost, L.  
 Garnier, L.  
 Glendonbrook, L.  
 Godson, L.  
 Gold, L.  
 Goldie, B.  
 Goodlad, L.  
 Goschen, V.  
 Grade of Yarmouth, L.  
 Greenhalgh, L.  
 Griffiths of Fforestfach, L.  
 Grimstone of Boscobel, L.  
 Hamilton of Epsom, L.  
 Hannan of Kingsclere, L.

Harding of Winscombe, B.  
 Harlech, L.  
 Harrington of Watford, L.  
 Harris of Peckham, L.  
 Haselhurst, L.  
 Herbert of South Downs, L.  
 Hodgson of Abinger, B.  
 Hodgson of Astley Abbots,  
 L.  
 Hoey, B.  
 Hogan-Howe, L.  
 Holmes of Richmond, L.  
 Hooper, B.  
 Horam, L.  
 Howard of Rising, L.  
 Howe, E. [Teller]  
 Hunt of Wirral, L.  
 Johnson of Lainston, L.  
 Jopling, L.  
 Kamall, L.  
 Keen of Elie, L.  
 King of Bridgewater, L.  
 Kirkham, L.  
 Kirkhope of Harrogate, L.  
 Lamont of Lerwick, L.  
 Lampard, B.  
 Lancaster of Kimbolton, L.  
 Lansley, L.  
 Lawlor, B.  
 Lea of Lymm, B.  
 Leicester, E.  
 Leigh of Hurley, L.  
 Lexden, L.  
 Lilley, L.  
 Lingfield, L.  
 Liverpool, E.  
 Mancoft, L.  
 Manzoor, B.  
 Markham, L.  
 Marlesford, L.  
 McInnes of Kilwinning, L.  
 McIntosh of Pickering, B.  
 McLoughlin, L.  
 Mendoza, L.  
 Meyer, B.  
 Minto, E.  
 Mobarik, B.  
 Montrose, D.  
 Morris of Bolton, B.  
 Morrissey, B.  
 Moylan, L.  
 Moynihan, L.  
 Murray of Blidworth, L.  
 Naseby, L.  
 Neville-Jones, B.  
 Neville-Rolfe, B.  
 Nicholson of Winterbourne,  
 B.  
 Noakes, B.  
 Norton of Louth, L.  
 O'Neill of Bexley, B.  
 Offord of Garvel, L.  
 Parkinson of Whitley Bay, L.  
 Patel, L.  
 Peel, E.  
 Penn, B.  
 Pickles, L.  
 Piddling, B.  
 Polak, L.  
 Papat, L.  
 Porter of Spalding, L.

Ranger, L.  
 Reay, L.  
 Redfern, B.  
 Risby, L.  
 Robathan, L.  
 Roberts of Belgravia, L.  
 Roborough, L.  
 Rock, B.  
 Sanderson of Welton, B.  
 Sandhurst, L.  
 Sarfraz, L.  
 Scott of Bybrook, B.  
 Seccombe, B.  
 Selkirk of Douglas, L.  
 Sewell of Sanderstead, L.  
 Sharpe of Epsom, L.  
 Sherbourne of Didsbury, L.  
 Shinkwin, L.  
 Smith of Hindhead, L.  
 Soames of Fletching, L.  
 Stewart of Dirleton, L.  
 Stowell of Beeston, B.  
 Strathcarron, L.

Strathclyde, L.  
 Stroud, B.  
 Sugg, B.  
 Swire, L.  
 Taylor of Holbeach, L.  
 Trenchard, V.  
 True, L.  
 Tugendhat, L.  
 Tyrie, L.  
 Udny-Lister, L.  
 Vaizey of Didcot, L.  
 Vere of Norbiton, B.  
 Verma, B.  
 Wasserman, L.  
 Waverley, V.  
 Wei, L.  
 Williams of Trafford, B.  
 [Teller]  
 Wrottesley, L.  
 Wyld, B.  
 Young of Cookham, L.  
 Younger of Leckie, V.

6.49 pm

#### Amendment 134

Moved by **Baroness Bennett of Manor Castle**

134: After Clause 264, insert the following new Clause—

#### “Community and Smaller-scale Electricity Export Guarantee Scheme

- (1) Within six months of the passing of this Act, the Secretary of State must by regulations require licensed energy suppliers with more than 150,000 customers (“eligible licensed suppliers”) to purchase electricity exports from sites including those operated by community groups, that generate low carbon electricity with a capacity below 5MW.
- (2) Fossil fuelled local power plants with a capacity of less than 5MW are not eligible for participation in the Community and Smaller-scale Electricity Export Guarantee Scheme, with the exception of a local combined heat and power plant that generates electricity ancillary to its purpose of providing heat for local heat networks.
- (3) “Fossil fuel” has the meaning given in section 101(4).
- (4) Licensed energy suppliers with fewer than 150,000 customers may also purchase electricity exports from the sites defined above provided that they do so on the terms set out by the regulations.
- (5) The regulations must require that eligible licensed suppliers—
  - (a) offer to those sites a minimum export price set annually by the Gas and Electricity Markets Authority (“GEMA”),
  - (b) offer to those sites a minimum contract period of five years, and
  - (c) allow the exporting site to end the contract after no more than one year.
- (6) Within six months of the passing of this Act, GEMA must—
  - (a) set an annual minimum export price for those sites that has regard to current wholesale energy prices and inflation in energy prices and the wider economy,
  - (b) introduce a registration system for exporting sites meeting the requirements set out in subsection (1) and wanting to access these export purchases,
  - (c) define specifications for the smart export meters required by such sites,

- (d) define “low carbon electricity” in such a way that it includes renewable generation technology and may include other technology with extremely low carbon dioxide emissions,
  - (e) define requirements for an exporting site generating low carbon electricity with a capacity of less than 5MW to be registered as a Community or Smaller-scale Energy site, and maintain a register of such sites.
- (7) To access the export purchase agreements defined in this section exporters must—
    - (a) register their site with GEMA,
    - (b) install a smart export meter that meets specifications defined by GEMA, and
    - (c) notify GEMA if their ownership structure meets the definition of a Community or Smaller-scale Energy site.
  - (8) All licensed suppliers providing such purchase agreements must report annually to GEMA—
    - (a) the number and capacity of Community or Smaller-scale Energy sites that have been offered contracts to purchase electricity and the number of these that agreed those contracts,
    - (b) the total amount of electricity purchased under these agreements, and
    - (c) the price paid for that electricity.
  - (9) OFGEM shall make and publish a report annually on the operation of the export purchase agreements, setting out—
    - (a) the number of Community or Smaller-scale Energy sites contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
    - (b) the licensed suppliers contracting with Community or Smaller-scale Energy sites and the amount of electricity each has purchased,
    - (c) an assessment of how the mechanism is performing and the contribution it is making to delivering secure and low carbon electricity supplies, and
    - (d) recommendations on how the mechanism could be improved.
  - (10) Regulations under this section are subject to the affirmative procedure.”

Member’s explanatory statement

This and related amendments aim to provide a framework to support the growth of community and smaller-scale energy schemes and provide annual reporting on the success of the framework in increasing the number of such schemes.

**Baroness Bennett of Manor Castle (GP):** My Lords, the noble Baroness, Lady Boycott, being unable to be here and following on from our debate earlier, I beg to test the opinion of the House on Amendment 134. In doing so, I note the acknowledgement that Amendment 135 is consequential on Amendment 134.

6.49 pm

*Division on Amendment 134*

*Contents 197; Not-Contents 186.*

*Amendment 134 agreed.*

#### Division No. 4

#### CONTENTS

Adams of Craigielea, B.	Amos, B.
Addington, L.	Anderson of Stoke-on-Trent,
Allan of Hallam, L.	B.
Alton of Liverpool, L.	Anderson of Swansea, L.



Andrews, B.  
 Bakewell of Hardington  
 Mandeville, B.  
 Barker, B.  
 Bassam of Brighton, L.  
 Beith, L.  
 Benjamin, B.  
 Bennett of Manor Castle, B.  
 Berkeley, L.  
 Blackstone, B.  
 Blake of Leeds, B.  
 Bonham-Carter of Yarnbury,  
 B.  
 Bowles of Berkhamsted, B.  
 Bradley, L.  
 Browne of Ladyton, L.  
 Bruce of Bennachie, L.  
 Burt of Solihull, B.  
 Campbell of Pittenweem, L.  
 Campbell of Surbiton, B.  
 Campbell-Savours, L.  
 Carter of Coles, L.  
 Cashman, L.  
 Chakrabarti, B.  
 Chandos, V.  
 Chapman of Darlington, B.  
 Clancarty, E.  
 Clark of Windermere, L.  
 Clement-Jones, L.  
 Coaker, L.  
 Cromwell, L.  
 Davies of Brixton, L.  
 Dholakia, L.  
 Donaghy, B.  
 Drake, B.  
 Dubs, L.  
 Eatwell, L.  
 Falconer of Thoroton, L.  
 Falkner of Margravine, B.  
 Faulkner of Worcester, L.  
 Foster of Bath, L.  
 Foulkes of Cumnock, L.  
 Fox, L.  
 Gale, B.  
 Garden of Frognal, B.  
 Giddens, L.  
 Glasgow, E.  
 Goddard of Stockport, L.  
 Golding, B.  
 Goldsmith, L.  
 Grender, B.  
 Griffiths of Burry Port, L.  
 Grocott, L.  
 Hain, L.  
 Hamwee, B.  
 Hannay of Chiswick, L.  
 Hanworth, V.  
 Harries of Pentregarth, L.  
 Harris of Haringey, L.  
 Harris of Richmond, B.  
 Haskel, L.  
 Haworth, L.  
 Hayman of Ullock, B.  
 Hayman, B.  
 Hayter of Kentish Town, B.  
 Healy of Primrose Hill, B.  
 Hendy, L.  
 Henig, B.  
 Howarth of Newport, L.  
 Humphreys, B.  
 Hunt of Kings Heath, L.  
 Hussain, L.  
 Hussein-Ece, B.  
 Inglewood, L.  
 Janke, B.  
 Jolly, B.  
 Jones of Moulsecoomb, B.  
 Jones of Whitchurch, B.

Jones, L.  
 Kennedy of Cradley, B.  
 Kennedy of Southwark, L.  
 [Teller]  
 Kennedy of The Shaws, B.  
 Kestenbaum, L.  
 Khan of Burnley, L.  
 Kingsmill, B.  
 Kinnoull, E.  
 Knight of Weymouth, L.  
 Kramer, B.  
 Lawrence of Clarendon, B.  
 Layard, L.  
 Lennie, L.  
 Liddell of Coatdyke, B.  
 Liddle, L.  
 Lipsey, L.  
 Lister of Burtsett, B.  
 Livermore, L.  
 Londesborough, L.  
 Ludford, B.  
 Lytton, E.  
 Mackenzie of Framwellgate,  
 L.  
 Maxton, L.  
 McAvoy, L.  
 McConnell of Glenscorrodale,  
 L.  
 McIntosh of Hudnall, B.  
 McNally, L.  
 McNicol of West Kilbride, L.  
 Meacher, B.  
 Mendelsohn, L.  
 Merron, B.  
 Monks, L.  
 Morgan of Drefelin, B.  
 Morgan of Huyton, B.  
 Morris of Yardley, B.  
 Newby, L.  
 Northover, B.  
 Nye, B.  
 Oates, L.  
 Osamor, B.  
 Paddick, L.  
 Palmer of Childs Hill, L.  
 Parminter, B.  
 Pinnock, B.  
 Ponsonby of Shulbrede, L.  
 Primarolo, B.  
 Purvis of Tweed, L.  
 Ramsay of Cartvale, B.  
 Ravensdale, L.  
 Razzall, L.  
 Rebuck, B.  
 Redesdale, L.  
 Reid of Cardowan, L.  
 Ritchie of Downpatrick, B.  
 Roberts of Llandudno, L.  
 Robertson of Port Ellen, L.  
 Rooker, L.  
 Rowlands, L.  
 Russell of Liverpool, L.  
 Sahota, L.  
 Scott of Needham Market, B.  
 Scriven, L.  
 Sharkey, L.  
 Sheehan, B.  
 Sherlock, B.  
 Shipley, L.  
 Sikka, L.  
 Smith of Newnham, B.  
 Snape, L.  
 St John of Bletso, L.  
 Stansgate, V.  
 Stevens of Birmingham, L.  
 Stevenson of Balmacara, L.  
 Stoneham of Droxford, L.  
 Storey, L.

Strasburger, L.  
 Suttie, B.  
 Symons of Vernham Dean, B.  
 Taverne, L.  
 Taylor of Bolton, B.  
 Taylor of Goss Moor, L.  
 Taylor of Stevenage, B.  
 Teverson, L.  
 Thomas of Cwmgiedd, L.  
 Thomas of Winchester, B.  
 Thornton, B.  
 Thurso, V.  
 Tomlinson, L.  
 Tope, L.  
 Toughig, L.  
 Triesman, L.  
 Tunncliffe, L.  
 Turnberg, L.  
 Twycross, B.  
 Tyler of Enfield, B.

Uddin, B.  
 Vaux of Harrowden, L.  
 Wallace of Saltaire, L.  
 Warwick of Undercliffe, B.  
 Watson of Invergowrie, L.  
 Watson of Wyre Forest, L.  
 West of Spithead, L.  
 Wheatcroft, B.  
 Wheeler, B. [Teller]  
 Whitaker, B.  
 Whitty, L.  
 Wilcox of Newport, B.  
 Willis of Summertown, B.  
 Winston, L.  
 Woodley, L.  
 Worcester, Bp.  
 Wrigglesworth, L.  
 Young of Norwood Green, L.  
 Young of Old Scone, B.

#### NOT CONTENTS

Agnew of Oulton, L.  
 Ahmad of Wimbledon, L.  
 Altman, B.  
 Altrincham, L.  
 Anelay of St Johns, B.  
 Arbuthnot of Edrom, L.  
 Ashcombe, L.  
 Ashton of Hyde, L.  
 Attlee, E.  
 Balfe, L.  
 Barran, B.  
 Bellamy, L.  
 Benyon, L.  
 Berridge, B.  
 Bethell, L.  
 Black of Brentwood, L.  
 Blackwood of North Oxford,  
 B.  
 Bloomfield of Hinton  
 Waldrist, B.  
 Borwick, L.  
 Bottomley of Nettlestone, B.  
 Brady, B.  
 Bray of Coln, B.  
 Bridgeman, V.  
 Browning, B.  
 Caithness, E.  
 Callanan, L.  
 Camrose, V.  
 Carrington of Fulham, L.  
 Chartres, L.  
 Chisholm of Owlpen, B.  
 Choudrey, L.  
 Colgrain, L.  
 Craigavon, V.  
 Cruddas, L.  
 Dannatt, L.  
 Davies of Gower, L.  
 De Mauley, L.  
 Deben, L.  
 Dobbs, L.  
 Duncan of Springbank, L.  
 Dundee, E.  
 Eaton, B.  
 Eccles of Moulton, B.  
 Eccles, V.  
 Effingham, E.  
 Evans of Bowes Park, B.  
 Evans of Rainow, L.  
 Fairfax of Cameron, L.  
 Fink, L.  
 Finn, B.  
 Fleet, B.  
 Fookes, B.  
 Forsyth of Drumlean, L.

Foster of Aghadrumsee, B.  
 Foster of Oxtou, B.  
 Fox of Buckley, B.  
 Fraser of Craigmaddie, B.  
 Frost, L.  
 Garnier, L.  
 Glendonbrook, L.  
 Godson, L.  
 Gold, L.  
 Goldie, B.  
 Goodlad, L.  
 Goschen, V.  
 Grade of Yarmouth, L.  
 Greenhalgh, L.  
 Griffiths of Fforestfach, L.  
 Grimstone of Boscobel, L.  
 Hamilton of Epsom, L.  
 Hannan of Kingsclere, L.  
 Harding of Winscombe, B.  
 Harlech, L.  
 Harrington of Watford, L.  
 Harris of Peckham, L.  
 Haselhurst, L.  
 Hayward, L.  
 Herbert of South Downs, L.  
 Hodgson of Abinger, B.  
 Hodgson of Astley Abbots,  
 L.  
 Hoey, B.  
 Hogan-Howe, L.  
 Holmes of Richmond, L.  
 Hooper, B.  
 Hope of Craighead, L.  
 Horam, L.  
 Howard of Rising, L.  
 Howe, E. [Teller]  
 Howell of Guildford, L.  
 Hunt of Wirral, L.  
 Johnson of Lainston, L.  
 Jopling, L.  
 Kakkar, L.  
 Kamall, L.  
 King of Bridgwater, L.  
 Kirkham, L.  
 Kirkhope of Harrogate, L.  
 Lamont of Lerwick, L.  
 Lampard, B.  
 Lancaster of Kimbolton, L.  
 Lawlor, B.  
 Lea of Lymm, B.  
 Leicester, E.  
 Leigh of Hurley, L.  
 Lexden, L.  
 Lilley, L.  
 Lingfield, L.

Liverpool, E.  
 Mancroft, L.  
 Manzoor, B.  
 Markham, L.  
 Marlesford, L.  
 Mawson, L.  
 McInnes of Kilwinning, L.  
 McIntosh of Pickering, B.  
 McLoughlin, L.  
 Mendoza, L.  
 Meyer, B.  
 Minto, E.  
 Mobarik, B.  
 Montrose, D.  
 Morris of Bolton, B.  
 Morrissey, B.  
 Moylan, L.  
 Moynihan, L.  
 Murray of Blidworth, L.  
 Naseby, L.  
 Neville-Jones, B.  
 Neville-Rolfe, B.  
 Nicholson of Winterbourne,  
 B.  
 Noakes, B.  
 Norton of Louth, L.  
 O'Neill of Bexley, B.  
 Offord of Garvel, L.  
 Parkinson of Whitley Bay, L.  
 Peel, E.  
 Penn, B.  
 Pickles, L.  
 Pidding, B.  
 Polak, L.  
 Popat, L.  
 Porter of Spalding, L.  
 Ranger, L.  
 Reay, L.  
 Redfern, B.  
 Risby, L.  
 Robathan, L.

Roberts of Belgravia, L.  
 Roborough, L.  
 Rock, B.  
 Sanderson of Welton, B.  
 Sandhurst, L.  
 Sarfraz, L.  
 Scott of Bybrook, B.  
 Seccombe, B.  
 Selkirk of Douglas, L.  
 Sharpe of Epsom, L.  
 Sherbourne of Didsbury, L.  
 Shinkwin, L.  
 Smith of Hindhead, L.  
 Soames of Fletching, L.  
 Stewart of Dirleton, L.  
 Stowell of Beeston, B.  
 Strathcarron, L.  
 Strathclyde, L.  
 Stroud, B.  
 Sugg, B.  
 Swire, L.  
 Taylor of Holbeach, L.  
 Taylor of Warwick, L.  
 Trenchard, V.  
 True, L.  
 Tugendhat, L.  
 Tyrie, L.  
 Udny-Lister, L.  
 Vaizey of Didcot, L.  
 Vere of Norbiton, B.  
 Verma, B.  
 Wasserman, L.  
 Waverley, V.  
 Wei, L.  
 Williams of Trafford, B.  
 [Teller]  
 Wrottesley, L.  
 Wyld, B.  
 Young of Cookham, L.  
 Younger of Leckie, V.

7 pm

#### Amendment 135

Moved by **Baroness Bennett of Manor Castle**

**135:** After Clause 264, insert the following new Clause—

#### “Community and Smaller-scale Electricity Supplier Services Scheme

- (1) Within six months of the passing of this Act, the Secretary of State must by regulations require licensed energy suppliers with more than 150,000 customers (“eligible licensed suppliers”) to offer a Community and Smaller-scale Electricity Supplier Service agreement to any registered Community or Smaller-scale Energy site under section (Community and Smaller-scale Electricity Export Guarantee Scheme) for the purposes of allowing that site to sell electricity to local consumers.
- (2) The Community and Smaller-scale Electricity Supplier Service agreement will require licensed suppliers to make a community or smaller-scale energy tariff available to consumers local to the exporting site that has regard to the export price paid or that would be paid to that site under section (Community and Smaller-scale Electricity Export Guarantee Scheme).
- (3) The eligible licensed supplier may limit the total number of consumers the community or smaller-scale energy tariff is available to such that the total annual energy sold under the tariff is broadly equivalent to the total annual energy generated by the site.
- (4) The eligible licensed supplier will be the registrant for the meters of any local consumer purchasing energy under the community or smaller-scale energy tariff.

- (5) The eligible licensed supplier may charge a reasonable fee for the provision of services under this section provided that it has regard to distribution, licensing and regulatory costs and any guidance provided by GEMA.
- (6) The eligible licensed supplier shall return any money raised through the sale of energy under a tariff set up under this section to the Community or Smaller-scale Energy site, save for the fee allowed under subsection (5).
- (7) Eligible licensed suppliers must report annually to GEMA on—
  - (a) the number and capacity of community energy groups or smaller-scale sites offered Community and Smaller-scale Electricity Supplier Service agreements and the number who have contracted to use them,
  - (b) the total amount of electricity purchased under these agreements, and
  - (c) the tariffs for each agreement.
- (8) GEMA must—
  - (a) produce guidance on the level of community or smaller-scale energy tariffs and on the reasonable charges that eligible suppliers may charge for Community and Smaller-scale Electricity Supplier Service Agreements,
  - (b) make and publish a report annually on the operation of the export purchase agreements, setting out—
    - (i) the number of community energy projects or smaller-scale sites contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
    - (ii) the licensed suppliers contracting with community energy groups or smaller-scale sites and the amount of electricity each has purchased,
    - (iii) an assessment of how the mechanism is performing and the contribution it is making to delivering secure and low carbon electricity supplies, and
    - (iv) recommendations for how Community and Smaller-scale Electricity Supplier Service agreements could be improved.
- (9) Regulations under this section are subject to the affirmative procedure.”

Member’s explanatory statement

This and related amendments would guarantee small energy generators a stable tariff for selling their energy based on current market rates and establish a local energy supply mechanism to enable community or smaller-scale low carbon generation schemes to sell directly to local people, along the lines of the Local Electricity Bill tabled in the last session of Parliament.

*Amendment 135 agreed.*

*Amendments 136 to 138 not moved.*

#### Amendment 138A

Moved by **Lord Berkeley**

**138A:** After Clause 264, insert the following new Clause—

#### “Renewable liquid fuels for low-carbon heating

Within six months of the day on which this Act is passed, the Secretary of State must introduce proposals to bring into force a Renewable Liquid Heating Fuel Obligation, setting annual obligations on fuel suppliers to ensure the supply of recognised low-carbon renewable liquid fuels for domestic and commercial heating.”

Member’s explanatory statement

This amendment requires the Government to introduce a Renewable Liquid Heating Fuel Obligation (RLHFO) for home and commercial building heating purposes, which would create a scheme that mirrors the Renewable Transport Fuel Obligations

Order 2007. This would offer the option to off-gas-grid properties to switch to renewable liquid fuels, as another choice available to decarbonise their heating.

**Lord Berkeley (Lab):** Noble Lords will be pleased to know that Amendment 138A in my name is a probing amendment, and I certainly do not intend to divide the House. This issue, which has come to me from a number of people in the south-west, is about the need for parity in the government incentives for heating homes that are off the gas mains. This would require a scheme that mirrors the Renewable Transport Fuel Obligations Order 2007.

I get the impression that the government policy on this is that everyone who is off the gas grid should be able to install a heat pump. When I am not in Scilly, I live in a little village in the middle of Cornwall, where lots of my friends use fuel oil for heating because there is no way that you can put a heat pump in some of these houses. Heat pumps are very good, but, in terms of fairness, about 1.7 million homes—perhaps occupied by 4 million people—are off the gas grid. They all want to decarbonise quicker, but how will they do so? The Government's statistics show that 20% of off-grid homes are not suitable for heat pumps—again, we quite understand that. There is also the cost of installing them, of about £22,000, which is quite expensive for some people.

I am interested in a recent survey by the Future Ready Fuel campaign, which showed that 90% of people living off the gas grid are concerned about the Government's current heating proposals, which are treating them unfairly. They would rather a greater choice of low-carbon heating solutions. The amendment asks the Government to investigate this further.

Before I speak about that, and the obvious need for consumer choice in this, it is probably worth explaining what the material—hydrotreated vegetable oil, or HVO—actually is. The easiest way of doing so is to say that it is used vegetable cooking oil, animal fat residue and tall oil—whatever that is—which is a by-product of the manufacture of wood pulp. Most of the time, when we hear about used cooking oil, it is because people have tipped it down the drains and eventually blocked them; it is very nasty for the drainage companies to solve this and take it away.

What surprises me is that the industry data has forecast that, by 2030, the feedstock availability, which is the important resource, is more than enough to meet the transport and non-transport needs, including home heating. The Department for Transport is very keen to use this to get more environmentally friendly airplanes in the sky—we might all have views about that. Production of HVO in the United States is already 10 billion litres and is expected to increase to 22 billion litres by 2025; ditto in Europe, where it is expected to double in the next two years from 5.5 billion litres to 11 billion litres.

This is not suggesting that this is the only low-carbon solution for people who need to heat their homes and who cannot use the existing systems, but it is an important issue for debate. You are telling people that they need to reduce their carbon usage and that the best way is air source or ground source heating, but there is an alternative. I suggest that the Government need to look at this and see whether there is a compelling case to look again at the tariffs. The Minister may say

that the Government are doing this already; in which case, I shall say, “Well, that is lovely, but when is the report going to be published?” If they are not, I gently suggest that they should look at it, and I will be happy to facilitate a meeting between Ministers and the group of manufacturers concerned to see how we could take it forward. I beg to move.

**Baroness Young of Old Scone (Lab):** My Lords, I will not detain the House. I declare an interest as living in an off-gas-grid property. I am sure that the Minister knows what I will ask him.

There is a lacuna in government communications or policy about the off-gas-grid regulations. These were consulted on extensively but so far, unless I have missed it, they have not resulted in an emanation in government policy. We are in a situation where, if you are one of the folk in an off-gas-grid residence, you do not know what to do. Under the system that was consulted on, it was proposed that, after 2026, if your oil boiler broke down you could not replace it with another oil boiler; as yet, we do not know whether that date is still in currency or not. It would be good if the Minister could tell us exactly what the current policy of the Government is and, if it is to change from something that was consulted on, when we would get an announcement.

The alternative, if they do not adopt the proposition from the noble Lord, Lord Berkeley, is that people need to get themselves an air source or ground source heat pump, but that is not a feasible proposition if you are trying to replace your recently defunct oil-filled boiler that has broken down between Christmas and New Year, when you have the grandchildren or your elderly great-granny in residence. Frankly, from the work done by the Environment and Climate Change Select Committee of this House on the boiler upgrade scheme, it was clear that getting an air source or ground source heat pump not only was an expensive proposition but would take some time. For the most part, it would take a number of weeks, and often a number of months, rather than having a nice man from British Gas or the local oil company coming round to give you a replacement on Boxing Day.

Apart from that, there is a debate to be had about the efficacy of air and ground source pumps in some houses, though I must admit that I probably come from the school that says that, providing you get a big enough one, you can heat almost anything—but that then raises major questions about ongoing energy costs.

Although I welcome the Minister's statement earlier today about the extension of the boiler upgrade scheme term, it is a real pity that it was a complete failure in terms of numbers in the last financial year, and that most of the money that had been allocated had to be sent back to the Treasury. That is a great regret. My question—which my noble friend Lord Berkeley has given me the opportunity to ask yet again—is when we will get some clarity on the off-gas-grid regulations and what that clarity, if I have missed it, might be.

**Lord Ravensdale (CB):** My Lords, I want to offer a few words of support for the amendment from the noble Lord, Lord Berkeley. It is something that the

[LORD RAVENSDALE]

Government should take very seriously if it is to be used in a very specific and limited way for off-grid properties—the key point being the feedstock availability, which needs to be understood in more detail.

On the link with sustainable aviation fuel that the noble Lord, Lord Berkeley, mentioned, there is potentially an important counter-cyclical benefit here, in that jet fuel is dominant in the summer months and heating oil is dominant in the winter months. They are essentially the same fuel, so there is potentially a good economic fit between those two cases, and the relevant departments—DESNZ and DfT—should work together on that.

I would suggest some potential improvements to the amendment, such as limiting it to those off-grid properties that already use heating oil and specifically stating in the amendment that this is only for recycled fuels, to eliminate the unintended consequences of biofuels being eligible. Overall, however, this is something that the Government should take seriously.

**Lord Teverson (LD):** My Lords, I certainly echo the question that the noble Baroness asked about the timing of the boiler scheme. There has been a big debate in the past on the use of frying oil, and getting the fiscal measures and the subsidy right so that it can be used as a transport fuel. Those arguments went on for a long time. However, I believe that there needs to be fiscal-incentive neutrality between the different types of renewable fuels, whether they are used within transport or indeed off grid.

**Lord Lennie (Lab):** My Lords, I will briefly thank my noble friend Lord Berkeley for this amendment, which is asking the Government to introduce renewable liquid heating fuel obligations that mirror the renewable transport fuel obligations as a choice available for decarbonising heating. I do not know—perhaps the Government know—whether there is any reason why they cannot accept this proposal, given that these fuels can be produced and distributed using industrial facilities that seem to already exist, and in turn using local raw materials, making it possible to diversify the energy base of the country in order to keep moving forward and achieve energy independence. Would it work? If so, why not give it the go-ahead?

**Baroness Bloomfield of Hinton Waldrist (Con):** My Lords, I too thank the noble Lord, Lord Berkeley, for his amendment, and the noble Baroness, Lady Young, and the noble Lords, Lord Ravensdale and Lord Teverson, for their contributions to this debate. Decarbonising buildings off the gas grid—and I should perhaps declare an interest in that I, too, live in a house that is off the gas grid—using fossil-fuel heating is a key priority for the Government, as they use some of the most polluting fuels. Action on these buildings will help us to reduce our dependence on imported oil and protect consumers from high and volatile energy prices, while keeping us on track for net zero.

In 2021, we consulted on a policy of phasing out the installation of fossil-fuel heating systems in homes, businesses and public buildings in England off the gas grid during the 2020s. We will issue the government

responses to these consultations in due course, setting out our plans regarding these policies. I am afraid that I cannot be more specific than that on the timing.

The noble Lord's amendment seeks to impose new obligations on heating fuel suppliers, to encourage the supply and use of renewable liquid heating fuels. I appreciate his intent to increase the role of renewable liquid fuels in heating to help with the transition to clean heat off the gas grid. However, a number of questions must be answered before we can make decisions on what role renewable liquid heating fuels should play in the future heating mix and develop the policy framework which would support such a role. As he will be aware, sustainable biomass is a limited resource. We will need to prioritise its use in sectors that have the fewest options for decarbonisation and the most potential for emissions reductions. Indeed, the Climate Change Committee argues that the use of biofuels in heat should be minimised as far as possible to enable best use of biomass across the whole economy. Overcommitting in heating risks having effects in other sectors, such as transport, or driving up the prices paid for these fuels. The forthcoming biomass strategy will review the amount of sustainable biomass available to the UK and will then consider how this resource could be best used across the economy to achieve net zero. Policy decisions on the role of renewable liquid fuels will need to reflect this strategy.

7.15 pm

However, I assure all noble Lords that the Government recognise the challenges in decarbonising certain buildings off the gas grid. We are committed to ensuring that the transition to clean heat will be fair and affordable for properties off the gas grid. We will continue to work with industry stakeholders, including members of the renewable liquid fuel industry, to build further evidence that will allow us to evaluate the most feasible and cost-effective means of decarbonising those properties. For those reasons, I ask the noble Lord to withdraw his amendment.

**Lord Berkeley (Lab):** I am grateful to the Minister for her reply; I will read it with great interest. I think what she was really saying is that further work needs to be done, but the problem is that the zero carbon target date is still there. Perhaps she would not mind if, having digested what she has said and talked to some of my colleagues, we could come back to her and see whether it would be appropriate to have a meeting. In the meantime, I beg leave to withdraw the amendment.

*Amendment 138A withdrawn.*

*Amendment 138B not moved.*

### **Clause 266: Regulations**

*Amendments 139 to 141*

*Moved by Lord Callanan*

**139:** Clause 266, page 230, line 18, at end insert—

“(4A) Where regulations under this Act are subject to the made affirmative procedure, the statutory instrument containing them must be laid before Parliament after being made.

- (4B) Regulations under this Act contained in a statutory instrument laid before Parliament under subsection (4A) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.
- (4C) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—
- Parliament is dissolved or prorogued, or
  - either House of Parliament is adjourned for more than four days.
- (4D) If regulations cease to have effect as a result of subsection (4B), that does not—
- affect the validity of anything previously done under the regulations, or
  - prevent the making of new regulations.”

Member's explanatory statement

This amendment makes provision about the “made affirmative” procedure for the purposes of the amendment in the name of Lord Callanan at page 161, line 15.

**140:** Clause 266, page 230, line 21, at end insert “or the made affirmative procedure”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 230, line 18.

**141:** Clause 266, page 230, line 21, at end insert—

“(5A) Any provision that may be included in regulations under this Act subject to the made affirmative procedure may be made by regulations subject to the affirmative procedure.”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 230, line 18.

*Amendments 139 to 141 agreed.*

### **Clause 267: Interpretation**

#### *Amendment 142*

*Moved by Lord Callanan*

**142:** Clause 267, page 230, line 27, at end insert “and “the made affirmative procedure” is to be construed in accordance with section 266(4A)”

Member's explanatory statement

See the amendment in the name of Lord Callanan at page 230, line 18.

*Amendment 142 agreed.*

### **Clause 269: Commencement**

#### *Amendment 143*

*Moved by Lord Callanan*

**143:** Clause 269, page 231, line 38, at end insert—

“(ca) section (Treatment of recycled carbon fuel and nuclear-derived fuel as renewable transport fuel);”

Member's explanatory statement

This amendment provides that the new Clause inserted after Clause 113 by the amendment in Lord Callanan's name comes into force two months after Royal Assent.

*Amendment 143 agreed.*

## **Junior Doctors' Strikes** *Commons Urgent Question*

7.17 pm

**The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con):**

“Mr Speaker, the honourable gentleman seems to ignore the fact that we have actually negotiated a deal with the NHS Staff Council, and it is a deal that it has recommended to its members. Indeed, the largest health union has voted in favour of the deal—indeed, it is his own health union—yet he seems to think we should tear it up, even though other trade unions are still voting in response to that offer and their leadership had recommended it.

Secondly, he says that we should sit down and negotiate. We have made an offer of 10.75% for last year, compared with the Labour Government in Wales, who have offered just 7.75%. So the offer, in cash terms, in England is actually higher than the offer that is being put on the table by the Welsh Government, which I presume he supports. He says he does not support the junior doctors in their ask for 35%, and nor does the leadership there. We need to see meaningful movement from the junior doctors, but I recognise that doctors have been under significant pay and workforce pressures, which is why we want to sit down with them.

The bottom line is that the deal on the table is reasonable and fair. It means that just over £5,000 across last year and this year will be paid for a nurse at the top of band 5. The RCN recommended this deal to its members, but it was rejected by just under a third of its overall membership. It is hugely disappointing that the RCN has chosen not to wait for the other trade unions to complete their ballots and not to wait for the NHS Staff Council, of which it is a member, to meet to give its view on the deal. It has chosen to pre-empt that, not only with the strikes that come before that decision of the NHS Staff Council but by removing the derogations—the exemptions—that apply to key care, including emergency care, which is a risk to patient safety.

Trade unions are continuing to vote on this deal. The deal on the table is both fair and reasonable, including just over £5,000 across last year and this year for nurses at the top of band 5. It has been accepted by the largest union in the NHS, including, as I have said, the shadow Health Secretary's own trade union. It pays more in cash to AfC members than the deal on the table from the Labour Government in Wales. It is a deal that the majority of the NHS Staff Council, including the RCN's own leadership, recommended to its members. We have always worked in good faith to end the disruption that these strikes have caused and we will continue to do so, but it is right to respect the agreement that we have reached with the NHS Staff Council and to await its decision, which is due in the coming weeks.”

**Baroness Merron (Lab):** My Lords, last week was the most disruptive in the history of the National Health Service, with some 350,000 patients seeing their operations and appointments cancelled due to industrial action. Does the Minister accept that the public remain supportive of doctors and nurses and

[BARONESS MERRON]

also that the public want to see the Government reaching fair, negotiated settlements to bring disruption to an end? If Ministers remain unable to get agreements over the line, what other options are being pursued, including the involvement of ACAS?

**Lord Markham (Con):** I think we all want fair outcomes and negotiated settlements, and I think we felt that the agreement reached with the Agenda for Change parties was fair and was something, as mentioned in the Statement, that the union leadership recommended to the union members. Of course, we need to wait to see the outcome of the staff council of all the Agenda for Change unions from 2 May to see where we end up on that. Our hope is that, across the majority of those, we will see support. As noted, this is a generous offer; it is higher than the offer made in Wales, for example, and we hope it will be a way forward after 2 May. If that is not the case, we need to sit down and think about next steps.

**Lord Allan of Hallam (LD):** My Lords, the Secretary of State in the other place rightly referred to the workforce plan as essential to dealing with some of the stress that is contributing to the industrial action. I checked the record, and the Minister first told us that this plan was going to be released “shortly” on 2 February. Yet Valentine’s Day came and went, and there was no plan. Now, Easter has come and gone, and there is no plan. I wonder if the Minister could tell us whether “shortly” is getting shorter or longer? Should we be expecting the plan closer to the Coronation or the 75th anniversary of the NHS in July?

**Lord Markham (Con):** I am afraid I cannot provide a lot more information to the noble Lord, except that complications now include the purdah for local government elections, so I am trying to find out more details on this very subject as to when a date could be set. I am afraid to say I cannot give much more of an update than to say it will be released shortly. What I will say is that, among all this, we are still seeing increases in staff. I was delighted to see that we now have 5,100 more doctors in place than last year, and we have had an increase over the last few years of 30,000 nurses. So, there are movements in the right direction, but clearly more needs to be done.

**Baroness Falkner of Margravine (CB):** My Lords, we still call it the National Health Service, but the Minister will be aware of the alarming figures for people who have no choice but to move to private provision of care. The numbers registering even for GP services privately must give cause for alarm, because we have got to be in this together to retain the national character of the National Health Service. I appreciate the Government’s concern about higher inflation due to very large settlements, but perhaps the answer is to sit down through ACAS, as the noble Baroness said, and think about slightly more generous one-off payments, because that will not bake in the inflation or increase costs in the longer term.

**Lord Markham (Con):** I thank the noble Baroness. As I mentioned, we felt we had put a fair offer on the table—something that was recommended by the trade

union leaders themselves. I think we need to see the overall verdict come out across the board on all this. I note that less than a third of the membership of the RCN actually turned it down in the end, so we have to see what the overall outcome is. There is an absolute commitment on our side to continue meeting constructively with the RCN and to use all means possible to get to a solution.

**Baroness Bottomley of Nettlestone (Con):** My Lords, those who have awarded degrees to doctors and heard them take the Hippocratic oath that they shall do no harm can scarcely be impressed by action being taken in which the public—patients—are suffering and in which enormous pressure is put on other colleagues in the health service. I, for one, think this is a very miserable occasion, and I hope to goodness that all those in the health service involved in action will think again.

I would like my noble friend to remind us about the importance of the pay review bodies, which were fought for long and hard. If we jeopardise or undermine them, that will be a long-term legacy that not only this Government but a Government of any other persuasion may pay the price for. Can he also say a little more about junior doctors and the steps being taken to increase their remuneration and deal with their working patterns?

All will agree that the health service today is extraordinarily complex. When I was Secretary of State, we spent 5% of GDP on health. That figure is now 12%, and there is not an infinite pit. I hope that reason will prevail.

**Lord Markham (Con):** I thank my noble friend for her questions and the wise points borne out by her own experience. The impact this is having on patients is a regret to us all. On derogations, the history has been that the unions have sat down and made sure that life is protected. It is a regret that the BMA junior doctors have not done that in this instance, and that the RCN is saying right now that it is not considering derogations in its new strike. I hope that this position will change. I do not think anyone in this Chamber would want to see life threatened in this way. I know that we are doing everything we can on our end—as I say, offering more than devolved Governments—to solve this situation. I ask for good will on all sides so that we can protect patients first.

**Baroness Bennett of Manor Castle (GP):** My Lords, in following on from the last question, I point out that the rising percentage of GDP spending reflects a fast-ageing population and the fact that we have terrible levels of public health, terrible housing and terrible diets. All sorts of other issues that are putting huge pressures on our NHS are at historically high levels.

I want to focus on the junior doctor situation in particular. There are currently 9,000 NHS doctor vacancies. The rate of departure of doctors from the NHS is twice what it was a decade ago. Does the Minister acknowledge that the situation of doctors in particular—and, in fact, that of all medical professionals—is rather different from other professions

in the sense that we have a huge global shortage of medical professionals? We are seeing many doctors voting with their feet over their current terms and conditions and leaving the NHS, and the Government are not in what you might call a normal industrial situation of saying, "Well, we'll just have to play tough and negotiate". There is a huge risk that we are going to lose a whole generation—or generations—of doctors from the NHS who are irreplaceable. The Government have to look at this in a co-operative way to find a way forward, rather than setting out a confrontational approach to the strike action.

**Lord Markham (Con):** I thank the noble Baroness. Yes, we do live in a global market. We absolutely have to be mindful of the fact that if our working conditions are not attractive, people will vote with their feet. At the same time, I am glad to say that we have 5,100 more doctors than we did last year, as I mentioned earlier. Clearly we want to do more work on that, but the proof of the pudding is in the eating, so to speak. That is not to say that we do not want to retain as many doctors and nurses in all their professions. Of course, that is what the workforce plan will be all about as well.

*House adjourned at 7.30 pm.*





# Grand Committee

Monday 17 April 2023

## Arrangement of Business Announcement

3.45 pm

**The Deputy Chairman of Committees (Lord Geddes) (Con):** My Lords, if, as I am told is likely, there is a Division in the Chamber while we are sitting, the Committee will adjourn as soon as the Division Bell rings and resume after 10 minutes.

## Public Transport in Towns and Cities Motion to Take Note

3.45 pm

Moved by **Lord Moylan**

That the Grand Committee takes note of the Report from the Built Environment Committee *Public Transport in Towns and Cities* (1st Report, HL Paper 89).

**Lord Moylan (Con):** My Lords, in rising to move this Motion, I start by paying tribute to my predecessor as chairman of the committee, my noble friend Lady Neville-Rolfe, who in fact chaired it during almost the entire period when the evidence was being taken that resulted in this report. Any credit due to the charring skills involved in producing the report must therefore accrue to her and not me. I also put on record the committee's thanks to its specialist adviser, Dr Simon Blainey, and to its clerk at the time, Dee Goddard, and her team. Dee left the service of the House shortly afterwards in order to relocate with her family to Yorkshire. She and her whole team were wonderful in supporting us as we did our work. It is also very good to see so many current and former members of the committee present and participating in this debate.

I am not proposing in these introductory remarks to give a comprehensive account of everything the report says, partly because it would take too long and partly because it would leave very little for other members of the committee to say, but we were all agreed on the importance of public transport in our towns and cities.

The Government gave a pledge when elected to bring public transport in towns and cities up to the standards in London. We understand that that is difficult, because London has a large amount of inherited infrastructure, particularly rail and underground, and a large concentration of people, but we wanted in preparing this report to see how the Government were doing. The brief answer is, not terribly well, but a large amount of that can, I think, be explained by the effects of the pandemic and in particular by an understandable fall during it in demand for public transport services, which has to some extent been sustained, so that demand now is lower than it was before. It looks as though that might continue for some time—nobody knows—but it presents a conundrum and a difficulty for the Government.

Let me come straight away to my remarks on one of the two topics I would like to focus on, which is buses. Buses provide two-thirds of public transport trips throughout the country and are vital in all our towns and cities. We know that passenger numbers grow if bus operators offer what is referred to in the business as a turn-up-and-go service: that is, a service of sufficient frequency—of about 10-minute intervals—so that passengers do not have to consult a timetable before they leave home or decide to catch a bus, and are confident that if they turn up at any particular time, they will not have to wait too long. After all, a 10-minute interval means an average wait of five minutes for anyone who is regularly using a service. A turn-up-and-go service therefore attracts passengers. However, the effect of falling passenger demand has in fact been a reduction in services.

I want to congratulate the Government on maintaining the support for the bus network that they provided during the pandemic and have continued to provide at a certain level since. We predicted that if that support did not continue beyond the end of this March—which, at the time of writing the report, is when it was due to end—there would be a 20% fall in bus passenger services. The Government continued their funding and that 20% fall has not occurred, but even so, newspaper reports tell us that there has been a 10% fall, and that is probably, in a sense, the new normal.

As a country, we deserve to have a serious discussion about buses. Here, I refer with some admiration to Ken Livingstone when he was Mayor of London, because he illustrates an approach that worked. Until the point when he became mayor, bus services had been in a state of decline in London; demand had been falling and services were not reliable. He succeeded in ramping up provision so that most buses were operating on a turn-up-and-go service. Demand rocketed and has been sustained at that level, although not recently during the pandemic. However, it came with a serious cost because the subsidy—that is, the difference between the fare income and the cost of operating the service—grew substantially. In his time, it was well on the way to £0.5 billion a year and is now considerably in excess of that. In large part, that was to do with the fact that the fares were set lower than was necessary. So in my view there is a trade-off between providing the sort of service that attracts passengers and a willingness to set fares at a rate that makes the subsidy manageable financially, which is obviously a consideration for the Government.

There is also the very sensitive subject of concessions. In London, approximately 40% of passengers were not paying a fare. There are, of course, statutory concessions for bus passengers—the Freedom Pass in London and the national bus pass scheme—but they are targeted largely at elderly people. A large number of voluntary and discretionary concessions have been granted that could be removed without amending the statute. At some point it is worth having a serious debate about how we are going to respond to the fall in demand, and perhaps today is the time to kick it off. Is it by cutting services, which in my view leads to a spiral of decline, or by ramping up services but controlling the subsidy, as I am calling it, through a combination of fares and more limited concessions? These are hard

[LORD MOYLAN]

topics to face, but they are serious ones if we are going to look forward and discuss public transport, and buses in particular, in towns and cities in the coming decade.

The second subject that I want to concentrate on—the restrictions being imposed on the use of private motor vehicles in towns and cities—led the committee down some paths of inquiry it had not particularly expected to follow. While passenger demand for public transport has fallen, demand from local authorities for new public transport infrastructure has been rising. To some extent, this has been encouraged by the Government making funding available. I will step out of my main stream of thought for a moment to say that one of the issues the committee raised was whether the funding system is fit for purpose: in other words, whether bidding for government money in a competitive environment produces the best outcomes. Is it the case—the committee thought it might be—that bidding processes reward local authorities that are large and good at bidding, rather than those with a fundamentally good case for new transport provision? That is a point on which the Minister may well want to comment.

Where does this demand for new investment and infrastructure come from? From talking to highways engineers and local councillors in various places that we visited, it appeared that a lot of it came from the fact that they had set targets for reducing the number of vehicle trips in towns and cities and wanted the money not only to build the public realm in a more pedestrian-friendly fashion but for the transport infrastructure that would substitute for people using their cars. A target of 20% or 30% is found almost universally. When we quizzed the Minister about this, she said that this was not a government or national target but entirely a local matter. However, we inquired into why all the localities tend to come to the same number.

Those of us with experience of local government know that a lot of policy development takes place on the basis of what academics in the field are saying and what the professional bodies that represent that particular branch of local authority officers are disseminating. We discovered that the academic world was pushing strongly for this 20% to 30% reduction, partly on the basis of meeting non-statutory interim targets for net zero and partly on the basis that, if all vehicles become electric and the pollution and air quality problems largely dissipate, we will not have enough electricity to run them. These people have a vision of towns and cities with much more public transport, much larger limitations on car use and limitations on car ownership, because the electricity simply will not be available to run them.

However, there has been no real discussion about this. The Minister's point that this was not a national policy, which I obviously accept in good faith, was controverted for me when my attention was drawn, only a matter of days ago, to the newly published *Driver and Vehicle Standards Agency (DVSA) Vision to 2030*, which is by a national body that reports to the Department for Transport and thus to my noble friend. On page 11, one sees that part of its vision for 2030 is for:

“Half of all journeys in towns and cities to be made by walking or cycling”.

It makes it slightly more difficult for the Government to say that they do not have a national policy on this if one of their executive agencies so clearly does. It needs to be flushed out and discussed. Does it command the support that policymakers think it might? If it does, why are they so reluctant to discuss it in public? Some honesty and openness on this would be very helpful.

I will not go on much longer, except to say that other topics we discussed included post-project evaluation, which we think needs to be undertaken much more seriously and in a much more determined way. This was the subject in our reply from the Minister on which we detected the most stickiness and defensiveness from the department. It is really not very keen on post-project evaluation, but we will continue to press on that.

Finally, we had a number of recommendations that I can summarise as “How to make public transport more user-friendly”, thinking about it from the perspective of the passenger. Examples include ticketing and timetables, better information and more integration of services, which we think the Government need to take in hand. There is also the issue of our rather fractured local system, with local authorities being required to adopt an enhanced partnership or a franchising model with local bus providers, which can make the situation more difficult. With that, I shall bring my opening remarks to an end and beg to move.

3.59 pm

**Baroness Eaton (Con):** My Lords, I confess to having joined the Built Environment Committee as this report on public transport was being finalised, so my input was, at best, minimal.

I am sure that most people in this Moses Room use public transport at some time. I certainly do while here in London; however, my experience as a resident of a semi-rural area in Yorkshire makes me a rather reluctant user of public transport. My train journey from King's Cross to Leeds, taking approximately two hours and 15 minutes, is generally very convenient, but what most residents in London do not realise is that, for most people living outside London, getting to and from the start of a journey is the most inconvenient leg of that journey.

My inconvenient leg probably highlights a number of issues that this report raises. My nearest station is a good 40-minute walk away. I can reach a bus stop with reasonable ease, but the buses do not regularly follow a timetable and there is no real-time indicator available to let me know how long my wait will be. As I mentioned, the trains from King's Cross to Leeds run efficiently but, on the return leg of my journey, I often reach Leeds at peak times. All local trains are standing room only, and it is almost a case of choosing whether there is room on the train for my luggage to travel or for me to travel. If I return to my local station late in the evening, I arrive at a very dark, deserted and unmanned station. It certainly does not feel safe or comfortable for a woman—or anyone, for that matter—travelling alone.

All my comments so far may seem very flippant; however, they are meant to illustrate just how important good transport systems are in our towns and cities. We all know of the need for a thriving economy and to

encourage more people into employment or to return to employment. Ease of public transport is an essential element in this endeavour. Many of our major cities are increasingly unfriendly to cars—if anyone has tried to drive in the centre of Leeds lately, they will know exactly what I mean. These hugely important travel-to-work areas no longer make much provision for car use, so public transport has to be a satisfactory alternative. As Colin Clark said in the *Town Planning Review* as long ago as 1958, transport can be the “maker and breaker of cities”.

Decarbonising the economy to reach net zero by 2050, adapting to the impact of a changing climate and achieving the 2030 sustainable development goals are, we are told, all crucial to the UK’s future economic and social prosperity. The public transport which helps to address these issues is a vital contributor to our future well-being.

Having spent 30 years representing five rural villages—some on remote moorland—on Bradford Metropolitan Council, I have concerns about appropriate public transport accessibility for such areas. I helped to instigate a “wheels to work” scheme for young people unable to reach FE colleges, apprenticeships and work because of the lack of appropriate public transport. The recommendation for local transport authorities to adopt either an enhanced partnership or a plan to establish a franchising scheme should contribute to alleviating this kind of problem. Also, the demand-responsive transport—DRT—trials taking place may show that this could also be of benefit in remote areas that are difficult to access. The BusMan Transport Consultancy has said:

“DRT has the potential to enable a public transport service to be provided in a sustainable way in small and medium-sized towns at times of lower demand”.

According to Transport Focus, a more open-data environment is needed to meet customer expectations. There is a role here for local authorities in managing data. Local and regional authorities can act as neutral protectors of sensitive data provided by operators. This will enable public authorities to ensure that appropriate data is available to planners of public transport services.

By 2050, one in four people will be over 65 and an ageing population will have an impact on the design and accessibility of public transport. Public transport will be key to the well-being of the elderly; without a reliable and suitable service, many elderly people could suffer from loneliness and isolation. Improving the safety of stations, bus stops and transport interchanges by ensuring that they are clean and well lit should be a priority for local and national government. Fear of unsafe places can deter the elderly and all vulnerable people from using public transport.

Local transport authorities have been expected to produce local transport plans every five years. In 2008, that requirement was removed, and 61% of authorities have not updated their plans since 2011. Those plans are clearly out of date and in many cases of no value. If new developments are to encourage public transport use, effective integration of land use and transport planning will be key. To help integrate transport and planning, the Government should link the production

of local transport plans and local plans. Can my noble friend tell us whether that would be possible and whether there are plans for it to happen?

The report says:

“Public transport investment and objectives should focus on the factors which are most important to users: convenience, reliability, fares, punctuality, safety and frequency.”

If all the recommendations in the report were met, we would certainly have a world-class transport system.

4.06 pm

**Lord Berkeley (Lab):** My Lords, it is a great pleasure to follow the noble Baroness and speak in this debate. I thank the noble Baroness, Lady Neville-Rolfe, for starting it off and the noble Lord, Lord Moylan, for finishing the report as chair. We also need to thank all those who gave evidence, written and oral. They were very interesting, long and useful pieces of evidence, which helped us come up with an extremely useful report—although I suppose that I would say that, would I not?

Let us be clear that public transport enables people to move around easily, quickly, safely and cheaply. It covers a whole age range—old and young, those going to school and college, as well as those with jobs and families. It affects everybody. How do we achieve that? The report speaks about the need for integration of modes and road space, which covers cars, deliveries, rail—suburban rail, anyway—buses and other means, such as scooters and things, which I shall come back to. But they need integrating in a way that includes allocation of space, costs and safety. I shall not say much about buses, because the noble Lord, Lord Moylan, spoke about them, and I spoke about them in a debate just before the recess.

On space on streets, I spent a day in Paris last week cycling on a green hire bike and I was amazed by the changes in that capital city over the past few years. Many noble Lords have probably been there in times past and know that trying to drive through Paris was a bit of a challenge, frankly. You never knew where you were going, who was going to hit you, who you were going to run over and everything else. It has changed completely. They have banned most scooters, which some people think is a good thing. There were too many before. But what I found so interesting was that van and car drivers gave way to pedestrians and cyclists without any hassle at all, and they all obeyed the traffic lights—which, again, does not always happen. The Parisian authorities have managed to educate mainly their drivers but scooter and cycle riders too, as well as pedestrians, to behave and work together.

I hope we could do this in future. I am sure that when she responds, the Minister will tell us that the legislation on electric scooters is imminent—even if she does not, I hope it is. As part of the legislation, I am convinced that there needs to be education here, not just in London but in many other cities, for cyclists, pedestrians and scooter drivers so that they all work together. It does not make much difference to the end result—you are still going to get there on time—but you will not have the hassle that we get at the moment.

[LORD BERKELEY]

There are examples in other cities as well, but the other issue is the cost of public transport, which the noble Lord, Lord Moylan, also mentioned. We have seen evidence of what is happening in Germany, with very low-fare season tickets, and just last week, another batch of season tickets covering regional trains and buses was announced. Austria and Switzerland have done the same. Apart from the benefits of simplicity and flexibility, there is the benefit of cost.

We have to understand that getting around the city—or villages, for that matter—is an essential part of life. Having buses cancelled outside London is really serious for people. We must recognise that many of us, as politicians, rightly set out our experience of travel, but many people cannot do what we do because they cannot afford it. They cannot afford a car or to get there by other means. Apart from the issues of poverty and shopping, there is getting a job. We need some regulation in the bus sector to support the continuation of the whole system, as noble Lords have mentioned, rather like we have on the railways. As the noble Lord, Lord Moylan, said, many more people use buses than use railways, but we do not get the same policy input into them that we should.

Sadly, a vociferous minority of politicians and business leaders like to use their own motor transport to get around, and they would rather have extra road space for them, with the effects on charges, safety and pollution, than succumb more to what happened during the Covid restrictions, which I thought was a really good change to the use of road space.

I hope we can get back to a situation, that probably existed in some of our lifetimes, whereby many people cycled long distances to work because it was the only way to do it and it was cheap. Now, you would probably get run over before you got back after your first day at work.

I am very pleased to have been part of this report. We have said some good and useful things but it is only a start. In future, I would like discussion about scooters, bikes and walking—active travel, as we call it—and the changes that will happen to freight distribution in cities and elsewhere. We need to look at what happens in the countryside, because if people cannot get around, there are no buses and they are imprisoned in their own home, that is just as bad as anything else.

I think the committee—it is not for me to decide, but I shall make my arguments—has a long way to go, but we have started. This will be a very interesting debate and I look forward to the Minister's response.

4.14 pm

**Lord Shipley (LD):** My Lords, I congratulate the noble Lord, Lord Moylan, and the committee on their excellent report. The noble Lord's emphasis on the importance of the bus and the level of fares charged, and the difficulties caused by the bidding process for investment, all struck me as extremely important.

Noble Lords will be aware that I was not a member of the committee, but I have a keen interest in public transport issues and serve as vice-chair of the city regions transport APPG. As I said, this report is excellent. It identifies a range of very important issues

that need resolution, such as block grants, the need for the infrastructure levy to support affordable housing, the importance of franchising, the importance of young people under the age of 40 to ridership and fare income, the need for better understanding of user priorities, and—as the noble Lord, Lord Moylan, mentioned—the turn-up-and-go principle, which is absolutely critical to the success of public transport services. There is also a need for co-ordinated timetabling between different modes of travel.

It is good that the Government agree with many of the recommendations, and I hope the necessary action will be forthcoming, but complex issues are sometimes dealt with rather superficially in their response. For example, in paragraph 114, on integrating transport planning with strategic planning, the Government are asked to link the production of local transport plans with local plans. The committee is absolutely right to recommend this. I went to my files and found the strategic transport plan produced four years ago by Transport for the North, but which is still current. The paragraph headed “Spatial planning” states that Transport for the North

“wants to build a collaborative and constructive relationship” with the 72 planning authorities across the north to

“ensure that the right sustainable developments, spaces and places are unlocked and delivered across the North...to support Local Planning Authorities as they develop their local plans and strategies.”

The report goes on to say:

“The principle of joined-up planning for new homes and infrastructure has long been acknowledged at a national level and is mentioned as a key element of the Government's Industrial Strategy”.

That was four years ago but the basic principles still apply, and it is absolutely fundamental. It is not enough for the Government simply to note the recommendation, as opposed to actively trying to do something about it.

The problem is that post-war planning policies—so over 60 years old—have encouraged out of town development, often aided by grant regimes to recover old industrial or brownfield land. It was understandable and was right at the time; however, journeys have become dependent on the availability of a car. Once purchased, it is often cheaper for a household to use that car than to take public transport. As the noble Baroness, Lady Eaton, pointed out a moment ago, it can also often be faster. Shopping malls, retail parks and business parks, some very substantial, have led directly to increased car use. Journeys have become more complicated for individuals, particularly those going to work, who measure cost and time in reaching a decision as to what form of transport to use. Things were much simpler when most jobs were in city and town centres, but that is less the case now. We need to reverse the trend, hence the importance of integrating local transport planning with local plans. So, paragraph 114, which recommends joining them together, is central to the Government achieving some of the objectives the report has set.

The report tells us that 68% of commuter journeys were by car in 2019. This is not a surprise, given the nature of the journeys a lot of people have to make. The report also tells us that the Government would like to reduce car journeys by 30%. This will not

happen unless money is forthcoming to invest in better public transport services, and more journeys go to town and city centres. That takes me to London.

The levelling-up White Paper promised London-style public transport, saying its ambition was for areas outside London to have services

“significantly closer to the standards of London”.

This will involve money, and it will require much greater local control through regulation. The committee report says that London has a £73 per capita subsidy for bus services, whereas the rest of England has only £27. I do not know whether these figures include the cost of concessionary travel, which accounts for one-third of all passenger journeys—the noble Lord, Lord Moylan, pointed out that it is 40% in London—but in practice, concessionary travel is a very important subsidy to keep buses on the roads across the country providing a service.

Whatever the facts are, more fare income needs to be generated and, as a start, it is key that transport planning is not disconnected from new housing development. As the report says,

“transport can be an afterthought”,

when it needs to be a central part of the planning process.

Finally, paragraph 138 states:

“An uncoordinated approach to public transport policymaking in Whitehall has left local areas with often irreconcilable targets”.

It would be so much better if local transport planning was devolved, with a block grant system, rather than being micromanaged out of Whitehall. That is the way to co-ordinated timetabling and putting users first. The noble Lord, Lord Moylan, referred to “hard topics” for debate, and I hope that the Government will engage with that.

4.21 pm

**Lord Best (CB):** My Lords, as a member of the Built Environment Committee, I pay tribute to our clerks; to our previous chair, the noble Baroness, Lady Neville-Rolfe, for her leadership; and to the current chair, the noble Lord, Lord Moylan, for his stimulating overview of our report today. Like so many Select Committee outputs from your Lordships’ House, this report presents a cross-party, balanced, evidence-based case for sensible changes to current government policy.

I draw attention to the last of our committee’s five key recommendations. The noble Lord, Lord Shipley, also drew attention to it. We recommended that the Government should formally link local transport plans with local authorities’ local plans covering new development across their areas. The committee found that transport planning and local planning were seldom sufficiently integrated, and, for example, homes were frequently being built without access to public transport.

In contrast to many other countries, our planning system does not have an objective of ensuring that additional housing is produced where the density of population will make public transport systems more viable. By opting for out-of-town new estates of low-rise houses—even if they are closely packed together—typical new developments in the UK create poorly served

settlements which depend on private cars for journeys to work, school, shops and facilities. The Centre for Cities cited the comparison between Leeds and Marseille, which

“have a similar population, but 87 per cent of people can reach the centre of Marseille in 30 minutes by public transport, compared with 38 per cent in Leeds”—

well under half the amount in Marseille.

A 2018 report by Transport for New Homes reviewed 20 urban extensions and found that few were being built with links to public transport. As the Oxford University Commission on Creating Healthy Cities, which I was pleased to chair, noted in 2022:

“Local Planning Authorities have a key role in resisting applications for new developments on suburban greenfield sites that depend upon every house-hold owning at least one car”.

In the Built Environment Committee’s earlier report on meeting housing demand, we noted the opportunities to undertake major residential developments on land around railway stations, creating connections to city centres. It is obviously vastly better for the environment, and for meeting targets for net-zero carbon emissions, to plan for new housing estates to be linked by decent, regular bus services to the neighbouring towns and cities that provide facilities, shops and employment. Reliance on private cars takes us in the wrong direction for meeting climate change imperatives.

The West of England Combined Authority published a strategy last month stating that car use in the region needs to reduce by 40%—a huge drop—if net zero climate targets are to be met by 2030. Congested roads with their pollution from traffic are not only bad for the planet and for health and well-being but a waste of time and energy for commuters, contributing to poor productivity.

Car-dependent new housing estates also prohibit the creation of intergenerational communities. Older people who cannot or do not want to drive cannot live alongside younger households because there is no easy access to amenities—the GP’s surgery, pubs, parks, et cetera. The master planning of each development can make a difference too. For example, Derwenthorpe, on the east side of York, comprises 550 new homes, which are knitted into the fabric of the city through both active travel—an excellent Sustrans cycle lane—and public transport. The developer, the Joseph Rowntree Housing Trust, has worked with the local bus company to bring a regular service through the new estate to the city centre and to encourage the habit of using public transport and taking the bus. A free bus pass for one year has been offered to new residents and around one in 10 has made full use of this facility.

My favourite takeaway from this excellent committee report, therefore, is its conclusion that councils’ local plans—“local development plans” in the terms of the Levelling-up and Regeneration Bill—need to be formulated side by side with local transport plans. The Government responded to this recommendation by telling us that the Department for Transport is consulting on guidance setting out how transport authorities should engage proactively and positively with local planning authorities. Will the Minister update us on progress with this guidance?

[LORD BEST]

New homes will be in the wrong places if public transport accessibility is overlooked and transport plans will miss opportunities for viable services if new housing developments are ignored. Bringing the two together will make for the healthy, environmentally friendly, age-friendly, productive and inclusive communities we all need. I commend the report.

4.27 pm

**Lord Carrington of Fulham (Con):** My Lords, I am very grateful for the opportunity to speak on this excellent report. I am very pleased to follow my friend, the noble Lord, Lord Best, because he said all the things I would like to have said about the clerks, the support that we got in producing this report and the excellent work that our previous chairman, my noble friend Lady Neville-Rolfe, did. I also commend my noble friend Lord Moylan for an excellent introduction of the report. He covered many of the topics that we highlighted and emphasised what the Government need to take out of our report.

I want to concentrate on one aspect which my noble friend Lord Moylan touched on, which is buses. Buses are a critical part of transport, particularly in rural areas feeding into towns. Trains and trams are very important, but they cannot get passengers without buses to feed people on to them. As my noble friend said in the phrase “turn up and go”, for buses to work they have to be reliable and predictable. Buses also have to be safe and affordable. It probably goes without saying that there are two ways of funding buses: one is subsidy and the other is fares. It is a movable feast depending on passengers’ use of buses. In other words, the load on the buses will determine how much subsidy is required.

Looking at reliability is critical for buses. The purpose of encouraging buses is to get people not to use their motor car. If you are going to get people not to use their motor car, they must have certainty that a bus will turn up when they get to the bus stop and certainty that it will get them to the end of their journey at a predictable time. This is a very serious problem with buses and for a lot of transport generally that uses roads. One thing that our report showed up was a big issue about space allocation on roads. For instance, we took some evidence from the Oxford Bus Company, which said that, because of the aggressive introduction of cycle lanes, buses are forced to go into the general traffic, with passenger cars and commercial vehicles, with great consequential delays to the bus service. It is important that we have a debate and that the Government look seriously at the allocation of road space for things such as cycle lanes, which may be virtuous in themselves but cause knock-on effects deleterious to the wider good for public transport. If cycle lanes are put in the wrong place and take up too much road space, they can cause very serious problems.

The other aspect I wanted to touch on is safety, which is a very difficult problem. One reason that people do not use buses, particularly late at night, is a fear that the buses will not be a welcoming environment and may well be positively hostile. It is not a question of whether the statistics of the number of attacks on buses is small, as indeed it is; it is a question of

whether people fear that they may be subject to an attack. It can be about the perception of the difficulties of riding in a bus safely. That is particularly a problem for female passengers travelling on buses late at night. It encourages car and taxi use and prevents people using buses and, indeed, trains. We need to find a solution to that.

One solution, obviously, would be to reintroduce conductors to buses, which would be massively expensive. Another solution is to stop putting the drivers into protected cabins at the front of buses, where they are protected from being robbed or attacked but are then unable to protect the other passengers on the bus. It is a very difficult problem but it must be overcome—and overcome in a way that gets the confidence of potential bus users.

I think our report is very good and we have highlighted a lot of problems. One thing we have identified is that, if we are to sort out the public transport problems in towns and cities, it will be extremely complex and no single solution will be appropriate for the whole country. I support my noble friend Lady Eaton and the noble Lord, Lord Shipley, in saying that these decisions must be taken on a local basis, and we must trust local authorities to co-ordinate transport and make sure that it is appropriate to their local needs.

4.34 pm

**Lord Faulkner of Worcester (Lab):** My Lords, I declare my railway interests that are relevant to this debate: I chair the Great Western Railway stakeholder advisory board and the North Cotswold Line Task Force, and I am president of the Cotswold Line Promotion Group. I am a new member of the Built Environment Committee, so did not take part in the inquiry whose report was published in November. I congratulate the committee on its excellent report and its new chair, the noble Lord, Lord Moylan, on introducing this debate so eloquently.

I support the report’s conclusions and recommendations, particularly those relating to bus services, which are of such importance to those in rural areas with no or limited access to private cars. I also support the call made in paragraph 132 for a clear statement from the Government on their policy on journeys made by car. There are many contradictions in national policy relating to car usage, and I endorse the evidence quoted in paragraph 128 from the Local Government Association stating that:

“Government ambitions about increasing public transport use make little sense when HM Treasury freezes fuel duty every year and cuts funding to public transport”,

and that from the Martin Higginson Transport Research & Consultancy, which states:

“A significant barrier is the unwillingness of governments, both central and local, to commit to policies that constrain car use”.

The briefing supplied to noble Lords for this debate by the Institution of Civil Engineers states:

“In the UK, transport is the largest source of greenhouse gas emissions—27 per cent of the UK’s total in 2019—deriving primarily from petrol and diesel use in road transport. Passengers and freight need to switch to lower-carbon transport modes at an acceptable cost to the taxpayer, meaning the UK’s public transport networks will need to provide more journeys and carry more passengers in the future”.

I will concentrate on the North Cotswold Line Task Force. It is a well-established partnership of five shire counties, under differing political control and outside any mayoral combined authority. It brings together planning of housing growth and transport and has real track records in innovation and investment in railway services and infrastructure. Worcestershire, which leads the task force, opened Worcestershire Parkway station in 2020, weeks before the lockdown, having made the case for the station, sorted out its funding and delivered it on a third-party basis, working with the rail industry but managing the whole project itself. Its location as an interchange between the Birmingham to Bristol and Herefordshire/Worcestershire to Oxford-Cambridge arc and London lines has proven very popular. It has attracted the interest of both the Midlands Engine and Midlands Connect in the North Cotswold Line corridor. Within three years of opening, despite the lockdown, around 800 passengers are using it every day. The original forecast said that it would take 10 years to reach those numbers.

The experience of Parkway suggests that we would be unwise to plan for a permanently depleted market for travel. Leisure travel on the line is now at higher levels than before Covid. It is a vivid example of bringing together transport and housing planning. Some 10,000 new homes are to be built around the station in the next 20 years—a new garden town of around 25,000 people. Developers recognise how railway connectivity and modern, accessible stations are really attractive to our growing and increasingly environmentally aware population.

However, many of the “brick walls” that the committee’s report highlights still exist, despite achievements such as this. The task force’s local authorities have put their hands in their own pockets to develop the case for more frequent services on the Worcestershire-Oxford-London line to support the delivery of 50,000 homes for more than 120,000 people across the route. To sustain a higher level of service, as the Minister knows, will require the restoration of two short lengths of double track. Ministerial engagement has been positive, we have strong cross-party support from MPs along the line and we receive helpful advice from GWR and Network Rail.

The committee’s highlighting of costly competitive bidding is also a problem understood by task force authorities, which have committed significantly to levelling up fund and new stations fund applications. I strongly support the committee’s proposition for alternative blocks of funding, avoiding the inevitable wastefulness of public bodies competing for public funding.

What we need is a DfT/Network Rail partnership—or Great British Railways when it is formally in place—that wants to work with motivated local authorities which will get on with good projects themselves if DfT and Network Rail engage closely and offer positive support to well-constructed cases.

Successful schemes have happened elsewhere with direct DfT support, such as the splendid Okehampton line in Devon. For the task force local authorities, much better rail transport is essential to the sustainability of the sheer scale of housing growth they need to

deliver. They have brought their local plans and transport thinking together and, as I said, they have financed and delivered major rail enhancements themselves.

In November 2021, the then Rail Minister, Chris Heaton-Harris, supported the task force progressing to the second industry stage—the outline business case—for its higher frequency service, with the task force local authorities fully funding and bearing risk on the scheme. In March 2022, DfT officials said that its team could not engage further with the task force until the updated rail network enhancements pipeline was announced. The original pipeline was first set out in October 2019 but has not been updated since; as I understand it, there is no planned date for the update, published in the new year.

We need to move forward now, and as it is some time since we have had a chance to discuss the project with Ministers, my request to the noble Baroness this afternoon is to agree to a meeting with members of the task force board and our Members of Parliament.

4.41 pm

**The Earl of Lytton (CB):** My Lords, it has been my great privilege to serve on the Built Environment Committee during the period when this subject was considered. I add my appreciation of and thanks to our former and present chairman and our erstwhile clerk, Dee Goddard, and for the briefing that was issued just in the past few days. For those of us who find their grey matter displaced by the jumble of things added subsequent to a report such as this, it is very helpful to have that prompt. Much of the content to which I would have referred has been covered by others, and I am satisfied that the relevant material is more than adequately contained within the report, which I believe speaks for itself.

The report identifies a series of worthy and sometimes inspirational initiatives, with what I think would be generally accepted as Transport for London’s example being the gold standard, but we have been subjected to what might be called exceptional circumstances. There are not only the normal constraints—perhaps now the additional constraints—on public spending but the disruption to and changes in consumer usage caused by the Covid pandemic, with lasting effects on matters such as commuting, whether people attend their place of work full-time or part-time and what that means for land use and the applicable facilities. I do not forget that this is also accelerated by squeezed household budgets and the impact of daily commuting as a net-of-tax cost on people’s income. Nor do I overlook the fact that commuting travel time is often neither enjoyable leisure nor gainful work.

We also showed that the command structure is to a degree fragmented and is not monitoring outcomes adequately. Different departments operate in different sectors. Decisions may be made at departmental level, but with the onus for delivery and taking risk devolved to local government—never mind that it has fewer resources—and, in turn, to commercial transport providers. There are gaps in accountability between control of resources, responsibility for action and the concurrent duty to take action. Each segment has its own priorities, whether they be political, public finance, planning, operational risk and so on. The absence of

[THE EARL OF LYTTON]

integration between land use and planning, mentioned by so many other noble Lords, is extremely concerning, given the obvious synergies.

I mention just one thing on bus transport in particular. Bus is one of those things that provides the opportunity to vary it to an almost infinite degree: it is not set on rails, it is by and large not attached to cables, and it is capable of adapting, both by the nature of the vehicle and the frequency and position of stops, in ways that most other forms of public transport cannot meet. It should therefore be the initial, and possibly the interim, mode of choice in changing circumstances, particularly changing environments, and especially when we are talking about changes in development patterns within urban areas.

Funding is not always evenly applied or secure over time. Sometimes, it looks as if there is a poor understanding of likely outcomes. There is a need for long-term, consistent, durable and continuous progress towards broadly common goals and an understanding of what good practice in transport looks like. If policies are too narrowly focused or shorter term than the time horizons of the project development and rollout, the result is dented commitment, lack of trust, user disaffection and, ultimately, lack of investment necessary to carry it all forward. I am satisfied that a more holistic approach—if noble Lords will excuse that overused term—is necessary.

Scheme participation procedures that are overcomplex or require expensive bidding processes are rightly regarded with suspicion and deter participants on cost alone. Funding streams that are proposed but which may be turned off at critical stages are also unattractive. Scheme architecture combined with responsibility for the policy, funding, delivery and outcomes—including that very necessary post-project evaluation—are key to this, along with slicker ways of ticketing and improvement of the customer experience. These cannot be left to chance and should not be the subject of a bewildering array of different local schemes, as if every city in the land were some sort of foreign jurisdiction, or indulged in a bidding war for too few resources. For users, relearning car parking ticket technology or public transport ticketing for each municipality is a nightmare and should not be an acceptable outcome in this modern world.

I will leave it there, but it should be said that this is, as the noble Lord, Lord Berkeley, said, work in progress. It has been a privilege to be involved in this matter, but I would just say that a less defensive and slightly more inclusive approach to discussions would be helpful, especially in the knowledge that there may not be one perfect solution to the matters that we have to deal with.

4.48 pm

**Lord Haselhurst (Con):** My Lords, I compliment all my colleagues who have contributed, particularly those who sat on the committee during the preparation of this report.

The most important recommendation that we put forward—reference has been made to it already—is in paragraph 116:

“the Government should formally link the production of Local Transport Plans with Local Plans”.

Yes indeed, I have to say. I have come to believe over the passage of 60 years that the commission report prepared under the chairmanship of Sir John Redcliffe-Maud was right. We are beginning to see the advantages of city regions. If the balance throughout our country is to be right, we need to have powerful authorities, whether we achieve them by saying that we are levelling up or by the twin of that, handing down. They will be in the best position in planning and construction. They will have the resources to ensure that they are advised to the highest level. They can raise standards and ensure the importance of place, space and design.

These large authorities will have transport issues. We all understand why the use of cars is to be discouraged, in terms of health, climate change and, to some extent, congestion, but we should always remember that the alternative has to be good, otherwise we are taking away an instrument of freedom of choice from those many hundreds of thousands of people who say, “Let’s just get into the car and go out somewhere for a nice day”. If you take that away, you have to find some alternative way in which to ensure that they can take advantage of the facilities in their orbit.

Trains, trams and buses can all play a part in finding the right mix for getting people from outside cities and towns into them for marketing or pleasure purposes. The experiment that impressed me most—and colleagues will know that I spoke about it a great deal—was what we were shown about very light transport. It is being developed by Coventry City Council with the help of Warwick University. It means that the cost of laying track for those vehicles is slashed to something like £10,000 per kilometre rather than £50,000. It could be a game-changer.

What I would like to see is the Government of the day talking to the regions about their ideas. I would like to think that there would be independent people there, be they top civil servants or people who have been in the building industry for a long time and have an objective perspective on these matters, so that the plan, including transport, can be perfected over a period of time. There would be a contract, if you like, between the Government of the day and the authorities concerned, so ideas may be borrowed from one place’s plan for another. One begins to see how these things can be done to overcome the worries that we have had about certain matters.

There are other ingredients to put into the pot, as it were, if we are to get this right for the future. We have had, since the report was concluded, the ideas on autonomous cars and how we will deal with that. There will be air taxis and vertiports, perhaps mostly for the transfer by drones of minor freight—and the growth, it seems without correction, of the use of e-scooters. I really begin to worry when I see reports appear in the papers of a league table of the number of injuries and deaths caused by the clash between them and pedestrians. I do not want to spoil anybody’s pleasure, but we have to watch this particular development, otherwise we will face considerable risk.

Let us see hope in public transport being developed and taking people from where they are living in a new development and from their new homes to where they work. All those things can be dealt with by public transport, if there is intelligent planning. Let us call



on those who have the skills in planning, construction and financing major developments and try to ensure that we will have a better future. We have been grumbling in the committee about what has happened in the past and worrying about some of those difficulties that have been aired again today. That is the pattern that I see—that we really need the big players throughout the country to level up to the Government and to their neighbours and so on, so that we have the best and safest transport systems in the modern world.

4.54 pm

**Lord Grocott (Lab):** My Lords, I happily add my thanks to our two chairs; to our secretariat, who have been splendid over the period of the production of this report; and to my colleagues on the committee, who came from varied backgrounds. What a pleasure it is to follow the noble Lord, Lord Haselhurst. I never thought that I would hear the 60 year-old report of Lord Redcliffe-Maud referred to but, like the noble Lord, Lord Haselhurst, I can remember it. It was a splendid report.

The possible scope of this report was enormous. It could have ranged—it has to a degree—from e-scooters to HS2. I will just concentrate on two things. One is London versus the rest, if I can put it in those terms, and the other is the variety of provision in cities of similar size and with similar challenges, in many respects.

On London versus the rest, the Government kindly referred us to the significance of this comparison in their response to our report. They said that, in their levelling-up White Paper,

“the Government set itself the mission of, by 2030, bringing standards of local public transport connectivity across the country closer to those of London”.

I give them full marks for ambition, but we need to test how they cope as they go along. Of course, we all recognise that London has unique characteristics in the provision of public transport, the size and reach of the area and so on, but still, these figures need to be put on the record.

The expenditure-per-head figures for 2019-20 are as follows—they are pre-pandemic, so perhaps not distorted by some of the pandemic factors. For London, it was £882 per head. The next largest region was the south-east, with more than £500 per head. The lowest was the east Midlands, at £300 per head. The average for all regions outside London was £489, which means that London is spending nearly double the amount of any other region in the country. Work that one out, Sherlock. It is not difficult to deduce from that that services in London are better than elsewhere.

What a civic or regional leader would give to have their expenditure availability for public transport doubled—it would have something of an impact, however competent or otherwise the leaders or the regions may be. I simply must ask the Government: how is their ambition progressing towards the deadline of 2030? Is it their intention to reduce the disparity on spending per capita? Do they regard spending per capita as a significant measure of how well the various regions are doing, or are likely to be able to do? Are they progressing towards any comparability at all with London?

The other issue, of the variety of services that apply in cities outside London, strikes me—I hope I am not the only one—as quite a significant factor. We know that all cities are different, that there are big contrasts and so on, but you would expect that large, urban areas in a fairly small geographic country such as ours would have some obvious similarities in the way that they tackle the common problems of urban transport. To give just one example of the contrasts that exist: Nottingham, Manchester, Birmingham, Sheffield and a number of others have light rail systems, yet Leeds, Liverpool and Southampton are among the largest urban centres in Europe without a light rail system. There might be good reasons for that, but I am not aware of them, and I am not quite sure who would be able to tell me.

In our report, we looked at three particular types of urban transport. We looked at light rail. We looked at very light rail and, like the noble Lord, Lord Haselhurst, I am very keen to see how the Coventry experiment develops. It is scheduled to start in 2025, I think, and if it works as a very light rail system—with the advantages of light rail but without the huge costs of establishing the system and then maintaining it—it may be a model that is of value to everyone else. The third system that we looked at was a bus transit system, which has some of the advantages of light rail but cannot quite match it in terms of reliability, predictability and so on.

We made recommendations in our report which flow from this fact that I have tried to establish about the big variation across the country. One recommendation was that we should try to eliminate some of the disadvantages that exist in the funding system at present; the noble Lord, Lord Shipley, dealt with that, so I will not repeat what has been said. We make the case in our report for a block grant system, which would make life easier for people making the applications and make life more predictable for the local authorities or regional governments that exist. It is something that the Government should consider.

Perhaps most important in this particular area is that discussion and evaluation of the schemes that exist is absolutely fundamental. We are not talking about huge sums of money here, just the common sense of recognising that there are different systems in roughly comparable areas but no proper evaluation of how they are all working. With this, I am in fact suggesting something to the Minister that does not cost large amounts of money—though I fear that my suggestion that the regions should do as well as London would cost large amounts of money. This is why I would particularly like to hear her response on that point.

5.02 pm

**Baroness Fox of Buckley (Non-Affl):** My Lords, I welcome this report and agree with the general premise that public transport plays a vital role in urban environments, enabling people to access education, leisure, family and/or work. It is as important for economic productivity as community dynamism.

The report's recognition that many British towns outside London have inadequate, unreliable and expensive transport infrastructure is of concern, as was acknowledged by the noble Lord, Lord Moylan. The

[BARONESS FOX OF BUCKLEY]

consequences can be dire when public transport is not adequate to aid essential travel. Sometimes, alternative support is required. For example, there is a story from Blackburn, which was raised by Jake Berry MP in the other place, where parents of 170 SEN pupils have been left in limbo after a specialist subsidised bus service used by Walton-le-Dale High School was axed due to a huge unaffordable hike in prices. The school is out of area but, as Blackburn with Darwen Borough Council does not have suitable school places for the pupils, the children are stranded. Normal public transport is neither suitable nor available, but the council tells them to just get the bus.

One parent of a son with Asperger's in year 7 told LancsLive that:

"Even my son's paediatrician said that he would not be safe on public transport".

Rick Moore, a local politician leading the campaign with the parents, recently organised for them to address the council. Tillie, a year 11 pupil, eloquently explained that the walk to the closest bus stop is on an unlit country lane and that the pavement is only continuous on one side and has a section of footpath so narrow that pedestrians are forced on to the road—so much for safeguarding the young. Sadly, the council remains indifferent. I raise this to indicate the problems when public transport is inadequate and also to note that it is not always a solution to the mobility challenges of living in towns that often have poorly served rural areas close by.

I turn to another issue. One problem constantly raised in the report is the steady stream of often contradictory demands on councils from central government, which confuse transport priorities. If we look at active travel plans—a euphemistic name given to non-car mobility for which local authorities receive substantial funding—these schemes, such as cycling lanes and walkable neighbourhoods, have nothing to do with public transport. Worse, however, is that prioritising them can be a hinderance in terms of allocation of road space, as we have heard, and can often have the unintended consequence of increasing congestion.

As James Freeman from BRT UK told the committee:

"At the moment, to favour the cyclist—because that is where the money and focus are—public buses have found themselves back in the queue, and the bus service becomes unreliable and slow as a result".

As the report rightly notes, bus services are attractive to users only if they have some priority over the rest of the traffic and are therefore able to compete with undertaking the journey by car. Of course, anyone choosing to travel by car is likely to elicit admonishment, as driving seems to be thoroughly disapproved of in transport policy circles. I found it dispiriting that the report fuels this by positing improving public transport as a way of reducing car use. This is unnecessarily binary, divisive and unhelpful for citizens. The Government's response to the transport decarbonisation plan states that measures are needed to

"shift to public and active transport",

and the inquiry reports experts saying that

"a reduction in trips by private car of the order of 30% is needed to help meet net zero targets."

I am worried that the language in this debate is misleading, even disingenuous. This is posed by the DfT as helping to "improve travel choices", and local authorities have been given powers to implement measures to "support improved choices". TfL says that the Government have an important role in making public transport, walking and cycling the mode of choice, but the public are not being given a choice here. Too often, policies seem coercive and anti-choice.

One reason why I am opposed to the report's recommendation that the Government should set explicit targets for a reduction in car journeys is that it is bad enough as it is. Some local authorities have adopted local targets, at the cost of citizens' freedom to choose to drive. Indeed, many drivers now feel like they are the villains in an anti-car crusade in urban areas, and often there is little regard for democratic scrutiny. Look at the exorbitant emission zone charges, which are widely unpopular. Noble Lords will have noted the large Together rally in London on Saturday, against ULEZ. Then there are the infernal low-traffic neighbourhoods, where roads are blocked off with no discussion and no mandate. Hackney Council is planning to close 75% of its road space to cars. Bath's first LTN, in Southlands, has proven highly controversial but the council has just announced 48 more LTNs, and despite lively opposition from Bath's grass-roots "save our city" campaign there will also be a £10 million emissions zone, dubbed a ring of steel by locals. All over the country, families can no longer drive to their weekly shop, taxi routes are lengthened and more costly for the disabled and the elderly getting to GPs, and care workers and plumbers alike are unable to navigate speedy routes to their next appointment. It is not so much active travel, as anti-travel.

On the committee's visit to Birmingham, we were told that meeting the region's 2041 decarbonisation target would require a 35% reduction in car travel over the next 10 years, a 50% reduction in all trips and an 800% increase in wheeling journeys on vehicles such as bikes and scooters; that will be great for the elderly. In that context, there would be a need for a 100% increase in public transport—as though improving public transport is just a means to an anti-car end. Worse, drivers end up getting the blame for problems with public transport. Transport for West Midlands complains that a "preference towards" driving is perhaps

"the 'biggest barrier to improving public transport'".

Surveys in the region show why people drive: 87% say that their lifestyle requires that they own a car or a van, and 94% say they enjoy the independence which car ownership gives them. That word, "independence", is key. What is fascinating is that ever since the anti-car policy wonks grabbed the political steering wheel back in the late 1990s, and despite the exponential growth in the car-reduction industry ever since, the number of cars on the road rose substantially between the 1990s and 2020. As the director of the future cities project says:

"What this predominantly shows ... is that personal mobility remains important to the public, despite all the policies that are so hostile to driving",

and that it is a form of liberation especially espoused by women.

I urge the Minister not to succumb to pressure to make anti-car measures more explicit, but rather to concentrate on the worthy and vigorously pursued goal of improving public transport on its own terms.

5.09 pm

**Baroness Taylor of Stevenage (Lab):** My Lords, I too thank the noble Lord, Lord Moylan, his predecessor, the noble Baroness, Lady Neville-Rolfe, and the members of the Built Environment Committee for their thorough, detailed and evidence-based review of the current context of public transport in our towns and cities. This review comes at a critical time for public transport, as we consider considerable changes to travel patterns as we emerge from the Covid pandemic. I also thank the Institution of Civil Engineers, mentioned by the noble Earl, Lord Lytton, for its helpful briefing, and our Library, which, as ever, provided a succinct and relevant briefing.

I grew up in a planned new town with 45 kilometres of cycleway infrastructure, which I know many towns would give their eye teeth for, and the then council-owned SuperBus service, which disappeared with privatisation. I consider it a very fortunate, good model of transport. In considering this subject, we must always be extremely careful not to underestimate the vital importance of all aspects of public transport. A notable statistic that stood out for me was the National Audit Office's conclusion that bus services alone affect the performance of two-thirds of government departments. I would go so far as to say that public transport is a key pillar of levelling up, sitting alongside jobs and skills, housing, health, education, community safety and climate change.

The noble Lord, Lord Moylan, referred to the contribution that good bus services have made in London to social mobility and the economy. As he said, nearly two-thirds of all journeys on public transport are by bus. Yet, as the Campaign for Better Transport points out, bus miles have declined by 27% since the pandemic, with over 5,000 routes lost. The Select Committee sets out clearly in its report that when the pandemic support funding ends—I appreciate that the cliff edge has been moved to June; that was greatly appreciated—we could see even further reductions of 20% in bus services. As the poorest 20% of households make three times as many trips by bus as the richest 20%, this could have a further devastating impact on levelling up. If you take a job or college place based on being able to access it by bus, and then that bus service is cut, your access to that opportunity is severed. These points were referred to by the noble Lords, Lord Berkeley and Lord Carrington, and the noble Baroness, Lady Fox, gave another worrying example of their impact.

There can be no doubt that the hollowing out of local government funding over successive years since 2010 has inflicted deep and lasting damage on the provision of effective and efficient public transport for our communities. With un-ringfenced budgets, the pressures on adult care and children's services are overwhelming local authority budgets, resulting in cuts to areas such as transport subsidies. As has been debated this afternoon, funding for transport is at best contradictory and, at worst, chaotic and wasteful.

My noble friend Lord Grocott referred to issues around “London versus the rest”. I also wanted to mention the importance of differentiating between towns and cities in relation to public transport, not to mention interconnectivity with rural areas. Towns can feel like the Cinderella of public transport systems; they miss out on competitive funding pots because their local authorities do not have the resources to put bids together and, in two-tier areas, they have to compete with surrounding districts for funding. The prospect of London-style public transport—even Manchester-style public transport would be quite good—can seem like a distant dream in our towns, where services are infrequent, unreliable and expensive, or in rural areas, where they are non-existent. Even creative solutions such as demand-responsive transport can flounder because of over-demand and congestion.

It is clear from the report that changing public transport needs post pandemic need radically new thinking and approaches. Our services are geared to nine-to-five weekday commuting, when the whole pattern of working and leisure travel has changed. In truth, this was starting to happen before Covid, but it has accelerated considerably. The Institution of Civil Engineers points out the importance of data gathering and analysis post Covid; these points are examined in detail in the report. I am interested to hear the Minister's response on how this is being undertaken by the DfT and whether she yet has any sense of how long it will be before a settled, post-pandemic picture of public transport use emerges.

It is impossible to do justice to such a comprehensive report in a few minutes, so I will focus on passenger experience, funding and devolution. With the complex systems and structures around public transport provision in the UK, it is all too easy for the passenger experience to get lost. Although bus service improvement plans are a step in the right direction, what reassurance is there of robust bus user consultation processes? The same applies to train and other public transport modes. Too often, it seems to be left to passengers to form their own pressure groups to drive the changes that they want to see.

In my local community people tell me that, although they would like very frequent services, they would much rather have a sharp focus on reliability and travel information that they can rely on and—as the noble Lord, Lord Carrington, referred to—affordable and stable fares, transport systems that connect with each other and with walking and cycling routes, and to feel safe. I have some experience of this, having just finished the production of a bus interchange that links in with cycling. The railway station has covered waiting accommodation, Changing Places-type toilets and other facilities linking with mobility scooters to get people around once they get to the bus station. Can the Minister comment on how close we are to an integrated transport strategy? Could that help enable the data sharing needed to provide good passenger travel information?

I was particularly pleased to see the issue of safety being taken very seriously by the Select Committee, a point highlighted by the noble Baroness, Lady Eaton. Changing work and leisure patterns mean that public

[BARONESS TAYLOR OF STEVENAGE]

transport is often needed in the evenings, and the combination of unreliable services, stations, stops and interchanges that do not feel safe and the fact that many local authorities have decided for budget reasons to turn off street lights at night all mitigate against women and other vulnerable users feeling safe to use public transport.

The ambition to bring local transport systems “significantly closer to the standards of London”

is laudable if somewhat incomprehensible to those who live in rural areas that may have scarce or non-existent public transport. Nevertheless, let us be optimistic. If improvements are to be made, it will require a herculean effort of disentangling the complexities of funding and the disparities mentioned by the noble Lord, Lord Grocott.

The Select Committee is right to set out the key challenges. They include evaluation of the investment in capital schemes, on which the committee had some very interesting evidence from Professor Preston, who discussed the issues of social cost benefits of transport schemes relating to public health, environment, access to jobs and skills, and quoted a KPMG study showing a 3:1 social benefit over cost. There is the further cliff edge for support for bus services funding, now extended to June 2023, but can the Minister elaborate further on what will happen after that? Then there is the competitive bidding process for funding, which disadvantages those areas most in need of stable, sustainable public transport.

There is also the failure to deliver less than half of the £3 billion that local authorities were expecting for bus service improvement plans. I have seen the table setting out the combined total, but that does not help the local authorities that wanted to be ambitious with their improvement plans or those that got no funding at all. Encouraging local authorities to bid for levelling-up funds for public transport just exchanges one competitive funding pot with another. Can the Minister comment on how the DfT will respond to the Select Committee’s recommendation that it should switch from funding pots—or bidding bingo, as I prefer to call it—to provision in block grants, mentioned by the noble Lord, Lord Shipley, and others? I note that we are told that we may see a paper on this later this year, but it is pretty urgent that we get on with that.

On the point about concessionary fares, which was raised by noble Lords this afternoon, I am afraid that I disagree with the noble Lord, Lord Moylan. The fantastic contribution that concessionary fares make to well-being for those who benefit is remarkable. I hope that the Minister will confirm that it is not the intention of the Government to use this method to fill the funding gap.

Lastly, on devolution—for which I am a passionate advocate, as many noble Lords will know—the Levelling-up and Regeneration Bill going through your Lordships’ House has the opportunity and the potential to ensure that the Select Committee’s key recommendation on effective integration of land use and transport planning can be realised. In fact, we will be discussing some of these issues tomorrow in Committee. As Manchester has been able to go further with this than other local authorities, it was interesting to read Andy

Burnham’s evidence to the Select Committee. In advocating franchising, he pointed out that his case was strengthened

“because large subsidies are being paid at the moment to various operators in the deregulated model”,

which, in his view,

“delivers very limited returns for the public”.

He also asked whether public operators would be allowed to take part in the franchising schemes as well. I am interested in the Minister’s view on that.

I look forward to the Minister’s responses to all the points made this afternoon. It is absolutely right that we should link transport planning with local plans. There are some difficulties with that, particularly in two-tier areas, but we work together and co-operate well on issues like that. We may need to articulate that in debates on the Levelling Up and Regeneration Bill. I am grateful to the noble Earl, Lord Lytton, and the noble Lords, Lord Haselhurst and Lord Shipley, the noble Baroness, Lady Eaton, and the noble Lords, Lord Best and Lord Faulkner, for their very strong advocacy of that system.

We cannot all live in Paris, which we heard about earlier, although some of us might not be averse to that—I certainly would not, but it is important that we have accessible, reliable and safe transport networks, which are essential to help us to achieve our long-term strategic objectives. Decarbonising the economy is not the least of those, but there are also the sustainable development goals. If the recommendations of this report are implemented, they will take us some way towards that, and I look forward to hearing the responses from the Minister.

5.21 pm

**The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con):** My Lords, I am well aware that I shall get about halfway through my speech and we shall then all be called to vote, but I shall carry on none the less.

I am enormously grateful to all noble Lords who have taken part in the debate today. There were so many insightful contributions, some quite spirited, and not all noble Lords were in agreement on some of the key matters of the day, which I shall come back to. Of course, my noble friend Lord Moylan opened the debate extremely well, as he always does, and I am very grateful to my noble friend Lady Neville-Rolfe for her role in chairing the committee. I remember my day in front of the committee very well indeed; it is always a pleasure to be grilled by people who share my ambitions—and, indeed, the enthusiasm for all things transport.

I start by noting and emphasising the clear alignment between many of the committee’s recommendations and the Government’s own ambitions for public transport in our towns and cities. To demonstrate, for example, in the recent Spring Budget, the Government announced a further round of city region sustainable transport settlements, which is the worst named scheme ever—or CRSTS. We have pledged another £8.8 billion over five years from 2027, which builds on the £5.7 billion provided in the first round of settlements. Noble Lords may think that that is a very large figure and that I am just banging it out, but why is it important?

The settlement is so important for cities outside London, to give them certainty so that they can plan for the future. That is precisely what we have done by indicating the amount of funding that will be available from 2027. If we are to meet our goal of ensuring that places outside London have public transport that is significantly closer to that which is in London, we need to make these very substantial and long-term commitments to spending in those areas. The committee called for block grants, and I shall come back to that later—because, of course, one size definitely does not fit all and never does with transport.

On buses, noble Lords will have noticed—and this was of great interest to my noble friend Lord Moylan—that we have, in recent weeks, taken a number of short, medium and long-term measures. We have extended the bus recovery grant and the £2 fare cap scheme until June 2023. I do not have any further information on that, and I know that the noble Baroness, Lady Taylor, is very keen to understand where we go next. Clearly, we are looking at this. The noble Baroness also asked when we will know when patronage has settled. I suspect that we never will. My experience in my four years in the DfT, particularly in the past three years, is that it is never homogeneous.

I am going to take a little break, and we shall go and vote. I shall continue talking in due course.

5.25 pm

*Sitting suspended for a Division in the House.*

5.35 pm

**Baroness Vere of Norbiton (Con):** My Lords, I will try to recover where I was, but I cannot wholly remember, so I will go back to the bit on buses because it is a topic of great importance. I had mentioned the bus recovery grant and the £2 fare cap, both of which have been extended. On lower patronage and knowing where it will settle, I point out that it will depend on the location and sometimes even be down to the route. The other thing to recall is that some of the elements of the national bus strategy and the bus service improvement plans are about growing patronage from wherever we are now. Therefore, I very much expect things not to be static and for changes to come for quite some time yet.

The DfT also announced further funding for the ZEBRA programme in Yorkshire, Norfolk, Leicester, Portsmouth and Hampshire, and the establishment of the new virtual bus centre of excellence to boost skills and good practice in the sector. That is key for local transport authorities, because they have a problem when it comes to capability and capacity. That is a topic that I will come back to in due course.

These measures show that the Government are committed both to maintaining a good standard of bus services—as the Built Environment Committee suggested that we do—and to building on these standards through the delivery of the national bus strategy. For those most ambitious local transport authorities that will lead, through the bus service improvement plans, to increasing patronage.

Noble Lords identify that frequency is really important. That is what we are trying to get to with the BSIPs, particularly in bigger cities, putting the user first and

increasing frequencies to provide the sort of services needed. Then, in more rural areas, there are interventions such as demand-responsive transport—and indeed reliable services. A number of noble Lords pointed out that reliability is what the user really needs.

The DfT has also published its transport data strategy, which is hugely important. We have to encourage people to use the data provided by the DfT via the operators, so that they can collate that into apps, and the users then get a better experience because they know when buses will arrive and how frequent they are. My noble friend Lady Eaton highlighted how important it is to have that information to hand. Those of us who live in London take it utterly for granted, and we must make sure that it is rolled out as far as possible.

This is not an exhaustive list of how the Government are aligned with the Built Environment Committee. Our announcements include £1 billion-worth of funding in the third round of the levelling-up fund as well as additional funding for highways maintenance, and indeed many more. The Government are not sitting still. We absolutely recognise the points made in the report; as I note, we did not agree with all of them, but we agreed with the vast majority.

The next subject I want to peruse is devolution, local leadership, capability, capacity and all the things that go with that. I have found the debate today a little confusing and hard to rationalise in parts. I hear some noble Lords wanting an integrated national strategy for the whole of transport, but that sounds very communist to me, and I am not entirely sure how one would achieve it. Other noble Lords are very much focusing on local needs for local people and local accountability, then others say things like, “It’s dreadful that central government demands so many things from local authorities”, when I am not entirely sure that the Government do. I am not sure we have the levers to do that, particularly in transport, because transport is, and has been for quite a long time, highly devolved to local transport authorities. Issues such as local transport planning rest with local authorities; they simply cannot be done from Whitehall, nor should they. This is very much by design. We rely on local and regional organisations to work together to identify and utilise opportunities for network improvements. The noble Baroness, Lady Vere, sitting at her desk in Horseferry Road, cannot do that: it is just impossible. We have to create the right framework and provide the right guidance and funding to local authorities, and then they need to run with it. That is what is so important.

The levelling-up White Paper committed to extending, deepening and simplifying local devolution in England

“so that by 2030, every part of England that wants one will have a devolution deal”

because we have seen the enormous success of devolution deals to date in the world of transport. Noble Lords will have heard me refer to the CRSTS. That is billions and billions of pounds that we give to those areas with devolution deals. It is long-term funding—it allows them to plan, and they have the capacity and capability to do so. This is the goal; this is where we want to be, but we cannot be there at this moment.

[BARONESS VERE OF NORBITON]

I look at the years when I have been in the department. Sometimes when you get bids for funding, frankly, they are not very good, and I cannot in good conscience turn around and allocate taxpayers' funding to bids that are not very good. They simply would not fly. That is why we need both processes. Highly skilled larger areas with devolution deals can get their long-term settlements but, until we have greater local responsibility and accountability via devolution deals, we will have to have a bidding process. I am okay with that balance. However, there will also be smaller local transport authorities which, if you gave them a block grant, would not have a hope of ever being able to build anything significant. It is unfair to keep those people out in the cold, because the benefits of transport often go to users who are not in your area at all. That is the whole point of transport: it gets you from A to B.

Allied to that, we come to the topic of planning integration and connectivity, which is really important. Transport integration is the holy grail, we need to make sure we get it done as well as possible. That is why having devolution deals for transport is very beneficial: because authorities can plan on a holistic basis over a significant area.

What do we want to do with the buses? There are the bus service improvement plans, but it is really important that they are used to update their local transport plans. I think it was my noble friend Lady Eaton who noted that 61% have not been updated since 2011. If I was the leader of a local council, I would feel a little worried about that, to put it mildly—but this is what local accountability and responsibility is all about. We must provide guidance to local transport authorities, and that is exactly what we will do. We will consult on guidance on the local transport plans fairly soon, we hope, but it is only guidance. Local transport authorities then have the responsibility, as the representatives in their local area, to build them into local transport plans. That is absolutely key.

Of course those local transport plans should align with an area's broader local development plans—that is important—but it is a complex picture and the timelines may be misaligned sometimes. To set out some sort of Whitehall-dictated “thou shalt do this on this date between this plan and this plan” is not going to work. We have to give the responsibility and the accountability to local areas to decide for themselves what works and what does not. Quite frankly, if it does not work and they do not get the best for their local community, voters can vote them out at the next local election.

I am well aware that there will be further discussion around local transport plans and local plans and how they are going to work together via the infrastructure delivery strategy in the Levelling-up and Regeneration Bill currently passing through your Lordships' House. I would welcome further discussion—I find it very interesting—but I do not see it as a solution that, at the moment, looks likely to achieve the best outcomes for local people.

Moving on to the other rather vexed and difficult question, I think it is worth reflecting on car usage. I will repeat what I said when I gave evidence to the

committee, which is that the Government do not have targets on car usage; we have targets on other things to make public transport, cycling and walking the first choice for travel, but we are not making anyone do that. We believe that it would be the best option for many urban areas, as was published in *Gear Change*. We have had a very open and honest conversation about what we want to see, particularly in our more built-up areas, in terms of cycling and walking. Furthermore, we made changes to the Highway Code to make sure that those who could cause the most harm bear the greatest responsibility. We want to improve our streets, particularly in urban areas where there can be tensions. I do not want those tensions to exist, but I cannot mandate them not to. We have to create the environment for that.

Road space allocation also causes quite a lot of difference of opinion. I say once again that no one size fits all for road space allocation. The Government can revise guidance for local transport plans and refresh the *Manual for Streets*, which is what we are doing. With those two documents, we have to leave it to local transport authorities, listening to their local communities, to decide what they want to do. We are not going to make them put in any cycle lanes or bus lanes. It is up to them. We think they should, and if they do not then other things might happen in terms of funding streams. At the moment, they simply would not get any funding for bus lanes—but if they do not want any, why should they? This is important. Road space allocation goes back to local responsibility and accountability, although I accept that there are tensions and it is difficult. Every single street in every single place in this country will need a different approach, and that is why local people doing it is so important.

I am conscious that I am desperately running out of time, but I want to comment on something very close to my heart and those of many noble Lords. My noble friends Lord Carrington and Lady Eaton highlighted transport safety. That is key to attracting people back. Bus service improvement plans should include how local transport authorities and operators will ensure not only that services are safe but that they feel safe. We are also taking forward 13 recommendations by the independent Transport Champions for Tackling Violence against Women and Girls on street safety, doing research on safety and the accessibility of bus stations and stops. I have many more things that I will endeavour to put in a letter. I really do welcome the work of the committee and hope that it continues to delve into these matters around transport. They are not easy, but ensuring accountability and responsibility locally is the best way forward.

5.49 pm

**Lord Moylan (Con):** My Lords, I see that, as rumours of the exciting quality of this debate have spread through the Palace of Westminster, the Moses Room has filled up with an audience keen to listen. None the less, I shall endeavour to be brief in summing up. I thank everybody who has taken part in the debate. I also thank the noble Lord, Lord Berkeley, for reminding me that in my opening remarks I should have thanked the people who gave evidence to our committee in the course of our inquiry. I am pleased to do that.

I will briefly run through some of the key points made. My noble friend Lady Eaton put great importance on what is referred to as “the first and last mile” in transport: the getting to the hub that allows you to take part in the transport system, which we could have said more about.

The noble Lord, Lord Berkeley, referred to Paris and the possibility of getting road users to be more courteous to each other. We know how to do that; we have just abandoned it in this country. We know how to do it because we learned lessons and started to apply them from the Netherlands in relation to shared space, but then we opted for a scheme of not sharing space but segregating it. If you start to segregate and allocate, top down, a limited resource, which is what road space is, inevitably you get people quarrelling about how much they have had allocated to them and about how others are interfering with their rights to their space, and so forth.

In this context, my noble friend Lord Carrington of Fulham and the noble Baroness, Lady Fox of Buckley, both referred to the importance of bus reliability and the fact that cycle lanes can impinge on that. Equally, you could say that bus lanes could impinge on the space that might be allocated to people using bicycles. But none of this is taken into account by the Government because, of course, it is all meant to be a matter of local choice.

A large number of participants in the debate—the noble Lords, Lord Shipley and Lord Best, and my noble friend Lord Haselhurst—talked about the importance of joining up the planning and transport policies. I do not see why this is such a difficulty for the Minister. She has told us how much money—a very large amount—the Government intend to allocate to local transport schemes over the next few years. Is it too much to say—other government departments do not find it too much to say—“If you are going to have this money, you need an up-to-date local transport plan”? It might be one that shows the department that it is coherent with local planning policies too, in particular for new development.

I have the highest admiration for the noble Lord, Lord Faulkner of Worcester, but my one quibble with his contribution is that he quoted a consultancy company that was critical of national and local governments for their reluctance to impose policies limiting private car use. I do not know where this consultancy has been, but it has obviously not been anywhere near a low-traffic neighbourhood that has been sprung on us recently, one of the many road-closure schemes that have been going on or indeed things such as the ULEZ. These policies are absolutely everywhere at the moment. However, the noble Lord valuably illustrated from his own knowledge and experience—coming back to my earlier point—how development and transport working together, a classic case of joining up policies, can produce the right results if it is done in a coherent way.

I shall not go much further. My noble friend Lord Haselhurst mentioned very light rail, and the noble Lord, Lord Grocott, rightly pointed out disparities in funding between different regions. I am grateful to the noble Baroness, Lady Taylor of Stevenage, for endorsing most if not all of the things said in the debate by those who participated in putting forward the report.

The Minister has put a great deal of preparation into this. She is highly committed to transport and public transport, and we are all grateful to her for listening to us today and for responding on behalf of the Government. I am relieved to be able to tell her that I do not think anybody in the debate actually suggested that she run all the local transport systems in the country from her desk in Whitehall, but even so, none of that—with her very correct emphasis on local choice by locally elected authorities—would stop her insisting that transport plans are up to date as a condition of funding. It would not stop her considering whether her active travel plans—which she says in that minatory tone are entirely a matter for local choice but obviously they will not get any money they do not adopt them and that other consequences might flow from them—are actually impinging on the reliability of buses, which she thinks is very important.

I think that we could do more and that the report remains still to be properly digested by the Government. We did not have time to discuss post-project evaluation, but many of the recommendations made in the report still have not been fully taken on board by the Government, though I think they would be very helpful. With that, I thank everybody and I commend the report to the committee.

*Motion agreed.*

## **The Ties that Bind: Citizenship and Civic Engagement in the 21st Century Follow-Up Report**

*Motion to Take Note*

5.58 pm

*Moved by Lord Hodgson of Astley Abbots*

That the Grand Committee takes note of the Report from the Liaison Committee *The Ties that Bind: Citizenship and Civic Engagement in the 21st Century Follow-up Report*.

**Lord Hodgson of Astley Abbots (Con):** My Lords, it has been nearly six years since the Select Committee was first constituted to look into issues of citizenship and civic engagement, and I was asked to take the chair. We published our initial report, and the Government gave their response in June 2018. As a committee, we were very disappointed with what the Government had to say and in particular when we had a follow-up meeting with Ofsted which seemed to have very little grasp of the issues and a lack of understanding of what the report had said. We were able to return to the fray using the new Liaison Committee procedures which enable follow-up inquiries to take place. Our follow-up report was published about a year ago and the Government response—which we are debating this afternoon—came out shortly thereafter, towards the end of May. This report will enable us to put the pink ribbon around the file after nearly six years.

It is important, therefore, that I place on record my thanks to all members of the committee who have kept the faith, in particular those who are speaking today, namely the noble and right reverend Lord, Lord Harries of Pentregarth, and a bevy of Baronesses—if hope that is still a word that I can use—my noble

[LORD HODGSON OF ASTLEY ABBOTTS]  
 friends Lady Eaton and Lady Redfern, the noble Baronesses, Lady Morris of Yardley and Lady Barker, and not overlooking the noble Baroness, Lady Scott of Needham Market, who joined in for the second round, which we also enjoyed. I need also to record my thanks to our clerk, Lucy Molloy, who has been a tower of strength. Members of the committee and of the House will probably not be aware that Lucy will be moving on, leaving Parliament and going to pastures new in May. I am sure that she will be sadly missed. Equally, and probably more importantly, Lucy has also recently got engaged. I am sure that I speak for the committee and indeed the whole House when I say that we wish her every happiness in her future career and future life.

What has our committee achieved in these six years? I think that the candid and truthful answer is not a lot, certainly not enough. I fear that we have not been able to convince the Government—we certainly have not been able to convince Ofsted—that citizenship represents a discrete policy area, moreover, a policy area that carries with it significant implications for the future social cohesion of our country. Let me repeat the truism that our world is undergoing an unprecedentedly rapid rate of change from which our society is not immune. In particular, the impact of globalisation has meant that many areas of the UK have lost the economic activities that underpinned our communities, which has led to a degree of disillusionment with our society. At the same time, rapid population growth means that 28%—more than one-quarter—of the children born in this country last year were born to mothers who were not themselves born here.

Against this background, it must be more important than ever that young people learn what it means to be a British citizen, the rights and responsibilities that go with it and, last but not least, the various ways that individuals can make their voices heard. You do not learn this by osmosis; it has to be taught, and taught well, not just theoretically but with practical explanations and examples.

There are two leading actors in this play: the Government and Ofsted. I turn first to the Government. To redress the increasing neglect of this subject, they need to give sustained, consistent support to citizenship education. In particular, that means a stable policy framework. Too often, our committee found evidence of what we called “initiativeitis”—individual, unconnected policy ideas set in train by a particular Minister, many of which were not tracked or followed up to assess relative success or failure. Therefore, a key recommendation of our first report was the need to create this stable framework to give consistent support to this subject. To date, I am afraid, I do not think that our committee is clear that this has been achieved or accepted by the Government.

The Inter-Ministerial Group on Safe and Integrated Communities, which had citizenship as one of its core purposes, met rarely and, after 2019, never met again. By the time of our follow-up report, another set of responsibilities had been established and now, a year later, these have all been swept away as part of the Levelling-up and Regeneration Bill. When she comes

to reply, can the Minister explain to the committee how this Bill can provide reassurance about the future provision of citizenship education?

In particular, I draw the Minister’s attention to the paragraph on page 6 of the government response to recommendations 1 to 6 of our follow-up report, which states:

“We are reflecting on the best practical ways to deliver citizenship and civic engagement policy across Government. We will share an update on this work with the committee in due course”.

I am not sure that the committee has yet to receive that promised update. Do we have a date by which we can expect its delivery?

The second major cause of concern about the Government’s commitment is the downgrading of the role of specific training of teachers in this subject. It is generally recognised that the number of teachers in this area has halved in the past few years. The Government no longer give the numbers in training, and citizenship education bursaries are no longer available.

The second major player is Ofsted. To cut to the chase, our follow-up report made a number of recommendations at paragraphs 72 to 77 about Ofsted’s work. It is no exaggeration to say that Ofsted rejected the lot. It persistently mixes up citizenship education with PSHE—personal, social, health and economic education. In truth, they are completely different. As has been made clear in a very telling way by the noble Baroness, Lady Lister, who I am glad to see is here now, PSHE is about “me” and how I am developing as a person, and a very important issue that is, but citizenship education is about “we”—how our society works, how we all benefit from it and how we must contribute to it—and therefore has a completely different focus. Ofsted’s disregard for citizenship education is further evidenced by the fact that it does not undertake any deep dives in this subject, as it does with other policy areas.

The only other area that I wish to deal with before I finish is the Life in the UK Test, which is a mirage that never gets any closer. Since 2013, we have been promised that it will be updated, and it has not yet happened.

To conclude, of course our committee understands the need for our education system to focus on practical skills. However, unless we all learn about our joint stake in our society and our responsibility for it, we risk the emergence of an increasingly atomised, unconnected and disgruntled population.

6.07 pm

**Baroness Eaton (Con):** My Lords, as a starting point, and on behalf of all those involved, I thank my noble friend Lord Hodgson for his diligence and determination in making sure that the findings of both the original and follow-up report are not rotting somewhere on a shelf, having died a death all that time ago. This is far too serious a subject to allow that to happen, and here we have a stalwart Member who has made sure that it has not happened in that way.

In a 21st-century country, a successful democratic nation will be one whose citizens feel secure, engaged and fulfilled, where everyone feels that they belong and can make a contribution. Those are not my words but were some of the opening comments in the first



committee report from the Committee on Citizenship and Civic Engagement. I am sure that they are words that we all agree with. The report tried to identify barriers that prevent people contributing and feeling part of our society, and we also looked at actions that can be taken to remove those barriers. As my noble friend Lord Hodgson said, it was very disappointing that the Government appeared to take little action from the recommendations, although the pressures of events such as the Covid-19 pandemic have understandably received time-consuming focus.

There were many valuable suggestions in the original report which could have, and still can have, great value for the citizen experience. The follow-up report that we are discussing today focuses on three areas, which my noble friend Lord Hodgson has covered eloquently already. These three strands could be, and should be, supportive strands for the Government's ambitions for levelling up.

Cross-government co-ordination is critical if policies on citizenship are to be in any way successful. The committee felt strongly that a Minister with responsibility for citizenship and civic engagement should be appointed in the Department for Levelling Up, Housing and Communities or the Cabinet Office. That Minister should have membership of the domestic and economic levelling-up committee. Unfortunately, that committee no longer exists. However, there are two committees entitled "Domestic and Economic Affairs". One has the remit to consider matters relating to the economy and to Home Office matters. The second committee may consider matters relating to citizenship and civic engagement, and its remit is to consider matters relating to the union of the United Kingdom. The Secretary of State for DLUHC is a member of both.

Dr Mycock, reader at the Department of Behavioural and Social Sciences at Huddersfield University, told the committee that government departments have sought to better integrate citizenship and civic engagement into policy-making, but the overall picture is one where work across government still lacks coherence, co-ordination and connectivity.

The government White Paper on levelling up refers to civic institutions frequently throughout. Cross-government co-ordination and long-term planning are cited as critical aspects of the levelling-up strategy. I ask my noble friend the Minister what progress has been made in those recommendations and how those objectives have been fulfilled with the Cabinet committees. The Government's response to the committee stated that they were reflecting on best practice for ways to deliver citizenship and civic engagement across government, and that their thinking would be shared with the committee. Like my noble friend Lord Hodgson, I have not become aware of any update. I ask my noble friend the Minister to tell us how well these reflections are proceeding.

The committee's 2018 report found that the education system has a pivotal role in developing active citizens. Witnesses to the committee stated that citizenship education could lead to greater social cohesion, greater resilience and aspiration among young people. The committee made nine recommendations regarding the

delivery, funding and assessment of citizenship education but, disappointingly, both the Government and Ofsted broadly rejected them.

As a result of the impact of Covid-19, the Government have made a commitment that they would not make any changes to the national curriculum for the remainder of this Parliament. In the education White Paper *Opportunity for All*, the Government said:

"We will build on our high-quality citizenship education by supporting the National Youth Guarantee, promoting volunteering and expanding access to the Duke of Edinburgh Award and Cadet Schemes".

Interestingly, that was the only reference to citizenship in the White Paper. The national youth guarantee appears to deal with volunteering aspects of civic engagement, but could my noble friend the Minister give the Committee information to illustrate how well that is working out in practice? Also, could she please inform us how the core knowledge in citizenship education, such as how government works and how laws are made and upheld, is being delivered?

The national youth guarantee is designed so that young people in the most deprived areas have access to many new activities, social action projects and the National Citizen Service. Some £387 million has been allocated for the national youth guarantee. What proportion of funding is going to citizenship-related activities?

As we have heard, of major concern to the committee is the role of Ofsted in the citizenship agenda. It was alarming to find a general lack of knowledge and understanding about citizenship by inspectors, and to note the lack of seriousness that inspectors appeared to give the subject.

The committee came to the conclusion that Ofsted is misinterpreting the Government's policy and assessment criteria for citizenship. Ofsted does not use quality of education when assessing citizenship education. Citizenship should not be conflated with PSHE. We heard the excellent and simple explanation that "PHSE is about me, and citizenship is about us". In the Ofsted handbook and framework, it is clear that the framework is to look at the quality of education based on the national curriculum which clearly includes citizenship. This implies that the same rigour is not being applied to citizenship as to other curriculum subjects. The committee heard that, in many schools, citizenship is regarded as a low-status subject and in many cases is not taught at all. The Government should outline what steps they will take to ensure that citizenship education is not sidelined. It would be helpful if the Minister could explain why the Government support Ofsted's practice of assessing citizenship with the incorrect metric.

*Life in the United Kingdom* has received much criticism over time. It has been described as inadequate for its intended purpose and simply a tick-box exercise. In reply to a Written Question in December 2022, it was stated that the Government intended to review the handbook in the first half of 2023. I was going to say that, surprisingly, nothing seems to have happened, but I can note that this morning I received an email, as I am sure other noble Lords did, inviting us to a briefing on the update to the *Life in the UK* policy. I am hoping it will be helpful to all of us. Can the Minister inform us of the progress being made on it?

6.16 pm

**Baroness Morris of Yardley (Lab):** My Lords, I am pleased to be able to speak at this stage of the consideration of our report. I join the noble Baroness, Lady Eaton, in thanking the noble Lord, Lord Hodgson, for his leadership. I think he said in his opening remarks that this is the bit where we tie the pink ribbon around the report, giving the impression that it is our last go at it, but I give the Minister a friendly warning that I do not think for a minute that the noble Lord will give up, and I am sure he will find another way of getting back—as he should do, because this is an important issue. It is a very good report, and hardly any of the recommendations have been accepted, and that is a problem. That is not Parliament doing well, and it is not the Government taking the right decisions.

I want to spend most of my time of the education part of the recommendations, but I shall briefly talk about the first area of cross-government co-ordination and strategy. This is a debate about whether it is better to have a Minister responsible for citizenship and civic engagement or an interministerial group. We have had these debates about a range of issues. My experience, personally and from observing Governments, is that interministerial groups do not have a record for delivering radical change. They are rarely successful. I am hard put to think of a major initiative that has achieved a great deal that has been brought about by an interministerial group. There are changes in the structure of government, Ministers change, and usually the only Minister thinking about it is the chair, and not the other Ministers who have been told to go along to represent their department. It is better to have a Minister who is charged with and accountable for this area. The Government know that—because, if we look down the list of Ministers in this Government, we find that there are Ministers responsible for net zero, veterans, artificial intelligence, building safety, social mobility and well-being, and we all know the circumstances that have brought those ministerial posts about. Those subjects are important; people worry about them. We want to do them better, and the Government's response has been to put a Minister in charge. That was the right decision, and they should do that with citizenship, because citizenship is as important as those other areas.

I want to talk mainly about citizenship education. There is a huge dilemma in the Government having mixed up PSHE and citizenship education. They are not the same, but there is a bit of history to this. I am not critical of this but, when the Minister's predecessors in the coalition Government came to power, they really pushed resilience, perseverance, personal fulfilment and doing your best. I agree with all that, I think it is great, but it overtook citizenship and pushed it out. No one during that time was advocating for citizenship—but we and the Government should be able to do more than one thing at once. Over that period, the two things got conflated, because no one was flying the banner for citizenship.

I am in favour of teaching pupils about keeping healthy, keeping themselves safe, online safety, good relationships, being resilient, being a volunteer and all of that, but it is not citizenship. That is not what citizenship is in the national curriculum. It says in our national curriculum that citizenship is about acquiring

“a sound knowledge and understanding of how the United Kingdom is governed, its political system and how citizens participate actively in its democratic systems of government”.

It teaches

“skills to think critically and debate political questions”.

It is totally different, and the two have been confused. Of course, one can contribute to the other, but at the moment everything is secondary to a heading of PSHE. No one is flying the flag, and it gets left out. There is a problem to be solved.

James Weinberg—I hope I have pronounced his name correctly—in our report said that

“those in the top quintile for household income are five times more likely to participate in political activities than those in the lowest”.

This is a bigger gap than in any other area of our activities in school. If we had that gap in teaching literacy, numeracy or science, in getting kids to university, in running, skipping, painting, drawing or doing sculpture—in whatever—we would be worried, and we would have a strategy to overcome it. It would be top of our agenda. However, we do not seem to know about it in this case; it is not talked about, and we do not do anything about it.

There is no one in this building who does not believe that democracy is important, has to be preserved, cherished and that we have to work hard to keep it going because there are threats to it. But when we look at what we are doing in schools, we can see that we are not giving our children the best chance of growing up to be fulfilled citizens who can take part in democracy. We cannot expect them to vote and be politically engaged as adults if we do not give them skills, opportunities and experiences when they are children. The school system just does not do that.

Citizenship is optional in primary schools; you do not have to do it. It is taught badly, if it is taught at all, in secondary schools where they are meant to do it. The primary school curriculum has not been reviewed since 2001, when it was introduced. There is no incentive for recruitment of citizenship teachers and no ambition that I know of to build and develop leadership in citizenship education. As far as I can see, there is little engagement with the profession about citizenship. All of that is a problem.

The consequences of this can be seen in what is happening in schools. It is second best and slips by. Schools have not got the message that it is important and that they need to address it, nor have they had help to do that. Both previous speakers have said that Ofsted is a problem here. Whatever noble Lords feel about Ofsted, they should put it to one side for a minute. We all know that its behaviour and words have an impact on schools and, if it does not know the difference between PSHE and citizenship education, we have a problem, and it is a huge blockage.

I was not able to attend the meeting at which Ofsted gave evidence, which I was quite cross about, but I read what was said, and that was not its glory day. As far as I could see, it did not shine on that occasion. The evidence of that is the criteria it uses. Its own report has two sets of criteria: one for national curriculum subjects and the other for personal development. I will not read them out because we all have them in front of

us to read if we want to, but it does not assess impact. It says of its personal development criteria, “We know that we can’t assess impact because the impact will be later on in life”. As a teacher, you always hope that the results will be there in later life, but it does not stop you looking at the results—the impact of what has happened.

The fact that Ofsted used the wrong set of criteria to evaluate a national curriculum subject is a problem. Is there any other subject on the national curriculum that is assessed by Ofsted using the personal development criteria, rather than the quality of education criteria? If there is, I do not know about it; I have never heard it mentioned.

That is a problem but, to tell the truth, what is more of a problem—and no one is perfect—is that, having had the time to engage with the Liaison Committee and to read the evidence and what good citizenship teachers said, Ofsted has made no change. It has given not an inch. No wonder people get fed up with Ofsted; not an inch has it given towards that strong bank of evidence. That is the problem: it is not necessarily that we do not always agree on the way forward but that nothing has been done to look at these recommendations. We know that things are not well, and when things are not well and there are some good recommendations, I cannot for the life of me see why you would reject them all.

Lastly, the Government have promised not to review the national curriculum until the next general election. I am really glad that our debate is taking place on the day the Prime Minister announced his review of mathematics. If you want an example of how best to get a subject to the top of the agenda, we have seen it today in the Prime Minister’s words on mathematics.

6.26 pm

*Sitting suspended for a Division in the House.*

6.36 pm

**Baroness Scott of Needham Market (LD):** My Lords, following a speech such as we heard from the noble Baroness, Lady Morris, is the nightmare slot, so I am just very pleased that we had the Division.

This is the fifth follow-up that has been carried out by the Liaison Committee since the new system was introduced in 2019. As a new member of the Liaison Committee when this follow-up inquiry was agreed and held, I was really pleased to be involved, partly because it is a topic that interests me but also because I was keen to get a sense of how well this process works. It feels to me that, given the resource, in all senses, that goes into producing a committee report, it is absolutely right that we do not just leave behind what we have done. To take an updated look at the committee’s excellent initial report and how the Government have responded, the second would not have taken us very long; it is bitterly disappointing. I absolutely agree with the noble Baroness, Lady Morris: I found the evidence session with Ofsted one of the most unsatisfying witness sessions I have undertaken in more than 20 years in the House.

I was just having a look at the evidence we took in February last year for the follow-up inquiry, and it was striking how many witnesses referred to the levelling-up White Paper—

6.38 pm

*Sitting suspended for a Division in the House.*

7 pm

**Baroness Scott of Needham Market (LD):** As I was saying, when we were taking evidence for the follow-up inquiry, the levelling up White Paper had fairly recently been published. It was clear from the evidence that we took that a lot of people saw this policy intent, this drive for levelling up, as a vehicle for citizenship and, the other way around, that citizenship would be driven by notions of levelling up. There was a lot of good will and aspiration for levelling up, and most of us had a lot of sympathy with the policy intentions in the White Paper. It well described social capital as, “the strength of communities, relationships and trust”.

It described institutional capital as,

“local leadership, capacity and capability”.

I think that we would agree that all these are intrinsically linked with notions of citizenship, as it is set out in the original report of the committee to this House. These themes were picked up by witnesses to the follow-up report.

Yet as the levelling up Bill is grinding through your Lordships’ House, there is no sense of any of these ideas and policy intents in the Bill. Somehow, it has become a morass of technicalities and legal argument, in which the essence of levelling up seems to have disappeared. I understand that between policy intent and legislation there is quite often a gulf, but it ought to be there somewhere. We ought to have in the Bill a sense of what levelling up means to citizens. I think that the revolving door of Ministers last year has something to do with the lack of coherence in the Bill, which points up the recommendation of the original committee report that the Government need to appoint a Minister with responsibility for citizenship and civic engagement. It really feels as though this coherence is missing from the levelling up Bill.

I also feel that the lack of a Minister with that sort of clout, that sort of responsibility, is also playing a part in the very real problems that are being felt by the charity, volunteering and community sector. Volunteering is something that the NCVO described as a “powerful expression of citizenship”, and I think that we all would agree with that. Here, I declare an interest as a member of the advisory board for the Institute for Volunteering Research and as a trustee of Community Action Suffolk, which supports the charity and voluntary sector in Suffolk.

Charities and volunteering have never in my mind found a natural home in government, and they very rarely have a real champion at the centre of government. This is not a debate about charities, but we all know that this is a sector which is facing some very real challenges at the moment. Most charitable organisations are reporting a significant fall-off in volunteers. Many older volunteers left during the pandemic, and they

[BARONESS SCOTT OF NEEDHAM MARKET] are not going to come back. Younger retirees are helping adult children with the costs of childcare. Others have gone back to work. People are working longer hours to make ends meet, and others are reporting that they can no longer afford bus fares or petrol to get to their volunteering opportunities. I am sure that there are things which government could do. However, and this is not a party-political point, successive Administrations have not understood the charity and voluntary sector. We have these big national campaigns, which can be effective at generating interest in volunteering, but they consistently fall flat because the skills needed for the next stages—matching volunteers with the right role, managing them when they get there—are often non-existent. Volunteers can be permanently deterred by a bad experience of their first time in volunteering. We saw this a decade ago with the Do IT campaign, and again during the pandemic. I fear that we are making the same mistake with the Big Help Out.

In Suffolk, we have decided that we want to do it better. We know that a lot of good will is being generated by the Coronation and that we have many leaders in communities, and many causes in the county, which collectively come together enthusiastically to pledge something not just for one day but for the longer term, really to promote the concept of volunteering. Therefore, we are running a campaign which will last several weeks. Organisations right across the county, including the county council, the high sheriff, the lord-lieutenant, voluntary organisations and the business sector, are coming together to create something which will add to the civic life of the county.

The key here is the existence of an effective infrastructure body in Community Action Suffolk, which uses its unique position to act as a catalyst, co-ordinator and champion. If aspirations of levelling up are ever to be met, this sort of organisation needs to exist throughout the country. Returning to the theme of the report, if we had a government champion for the sector in the form of a Minister, this sort of thing could perhaps become a reality.

7.05 pm

**Lord Norton of Louth (Con):** My Lords, I join others in commending my noble friend Lord Hodgson on introducing this important debate. I also commend the Committee on Citizenship and Civic Engagement, which he chaired, for producing the report, and the Liaison Committee for its follow-up report. I agree very much with the noble Baroness, Lady Scott, about the role of the Liaison Committee in producing such reports. They are an invaluable exercise.

Like the noble Baroness, Lady Morris of Yardley, I will focus on the recommendations of the Committee on Citizenship and Civic Engagement on citizenship education. In chapter 3, it makes a compelling case for citizenship education and for greater resources to be devoted to ensuring its delivery. It produced several valuable recommendations, but nothing has happened. I quote from paragraph 162 of the report:

“The Government has allowed citizenship education in England to degrade to a parlous state. The decline of the subject must be addressed in its totality as a matter of urgency”.

Here we are, almost five years to the day since the report was published, and the situation, if anything, is more parlous. The Liaison Committee pursued recommendations made by the committee, but they have fallen on barren ground. The problem is not just one of government but, as has been reiterated this afternoon, of the inspection regime. As the committee made clear, Ofsted’s approach is inadequate and fails to understand the distinct significance of citizenship education. The committee argued the case for Ofsted to stop assessing citizenship education through personal development and for it instead to form part of the quality of education. This was taken up by the Liaison Committee which, at paragraph 72, addressed

“Ofsted’s disregard for citizenship as a statutory curriculum subject and its insistence on assessing it through personal development”.

It continued:

“Citizenship is an academic subject and when taught properly should involve the development of knowledge, skills and understanding that pupils need to become active and responsible citizens. Citizenship should not be treated solely as part of pupils’ personal development. To do so is to misunderstand the nature of the subject in its entirety”.

In the next paragraph, the committee goes on to state that, based on the evidence it had received,

“Ofsted is misinterpreting the Government’s policy and assessment criteria for Citizenship”.

Among its other recommendations, it says at paragraph 77 that:

“Ofsted should review the support and training given to their inspectors and should ensure that the inspectors are able to understand and effectively assess citizenship as a curriculum subject”.

Ofsted cannot do that effectively if it fails to understand the nature and significance of citizenship education.

The evidence that Ofsted gave to the Liaison Committee demonstrates the nature of the problem and Ofsted’s inability to grasp what is required. It is clear from Robert Jenrick’s response to the letter from the then chair of the Liaison Committee, the noble Lord, Lord McFall, that this remains the case. I would be grateful if my noble friend Lady Barran can tell us what action is actually being taken to ensure compliance with the recommendations of both committees.

Unless there are incentives for schools to take teaching citizenship seriously, it will be neglected. Until citizenship education feeds into league tables, schools will not take it seriously. Whenever there are budget cuts, the trained citizenship teacher is the first to go. This matters for the health of our political system. Core to a healthy democracy, as the report argues, is active citizenship, but that rests on citizens having an understanding—indeed, an appreciation—of the system of government, how it works, what it can do for them and how they can engage with it. The problem is compounded by a growing lack of trust in government; survey evidence is that this lack of trust is now severe.

Politicians are part of the problem, but they are also part of the solution. Recent surveys have shown a dramatic lack of trust, not so much in our political structures as in the people who occupy them. Remarkably, in an Ipsos survey in February, lack of faith in politics/politicians/government ranked fourth in the list of issues seen as the most important facing Britain today,

after the economy, inflation and the NHS. A YouGov poll last year also found that the problem was more with politicians than political structures. As a response to lack of trust in the system of government, some politicians rush to advocate constitutional change. As with the recent report authored by Gordon Brown, the arguments for change are muddled and constitute a form of displacement activity. The problem is with those rushing to advocate change. This is something that I will develop in a debate next week; for the moment, my point is that politicians need to address not only their own behaviour—we need a major strengthening of standards of behaviour—but also the lack of knowledge about our system of government.

Ensuring that citizenship education is embedded in our schools is a necessary, though not sufficient, condition for restoring trust. Parliament gets a bad press, one that it does not necessarily deserve. It suffers from what I would term the arrogance of ignorance. People pontificate about Parliament and parliamentarians with a self-assuredness that is not grounded in any serious knowledge of the subject. There is a tendency to generalise from an N of one or two. We need to address the behaviour of politicians to ensure that there is not one or two—or more—from which people can generalise, but there also needs to be wider public awareness of the structures, processes and behaviour and of what Parliament can do for them and how they can have some input into what it is doing. This is becoming more and more of an uphill task because of the unwillingness of politicians to acknowledge and address it. For the past few years, there has been a bunker mentality. Parliamentarians need to come out of the bunker and proactively take steps to address the problem, otherwise it is not going to go away.

The stance taken by the Government is self-defeating. It is in their own interest to take this seriously. I would like to hear from my noble friend not only a recognition of the seriousness of the problem, but a commitment to ensuring that citizenship education is embedded and that schools are incentivised to take it seriously. Some years ago, the House resolved that Select Committee reports should be debated in the House, ideally in prime time. Debating this report in Grand Committee does not do justice to the seriousness of the issue. We are debating a subject that is crucial to the health of our political system. It is a false economy on the part of Government not to recognise that and to act upon it. What the Prime Minister has said today about maths applies also to citizenship education. An anti-maths mindset may be damaging the economy. A failure to educate citizens about our system of government is damaging to the health of the British polity.

7.14 pm

**Lord Harries of Pentregarth (CB):** My Lords, I begin by paying tribute not only to the Liaison Committee for a very thorough job of work, but to our parliamentary system which provides for such committee. Its very existence and the reports that it produces make it more likely that important recommendations are put into effect, for it can show whether a Government have taken them on board—or not, as the case may be. Sadly, in the case of the recommendations of *The Ties that Bind*, it is the latter. What our Select Committee

originally revealed—a very unsatisfactory situation—is shown by the Liaison Committee still to be highly unsatisfactory and very far indeed from what our committee thought it should be.

I believe that the need for citizenship and civic education highlighted in our 2018 report is even more pressing now than it was then, for we live in a world where there are not only dictatorships but managed democracies, democracies where human rights are not observed, and democracies where the rule of law is made subservient to political expediency. It is more important than ever that pupils coming out of our schools should have some grasp of the political system in which we live, its strengths as well as its weaknesses, and a sense of responsibility to live as an active citizen. That is, for the most part, simply not happening at the moment. Our report showed why, and the Liaison Committee's report discloses the same fundamental failures.

The first issue, of course, concerns someone to take responsibility for this area. The noble Baroness, Lady Morris, put it so powerfully: there must be a Minister in overall charge. It is only when someone such as that is in place that things happen—when there is someone who is accountable. Our original recommendation was that this person should be located in the Department for Levelling Up, Housing and Communities, but it has a very broad remit. Of course, so much of citizenship education is actually academic education, so if the Government continue to be very resistant to the idea of putting somebody in charge in that department, perhaps they would reconsider and see whether the Minister of Education themselves should be responsible for this area, with particular responsibility to relate to the Department for Levelling Up, Housing and Communities for that aspect of the work.

Secondly, as so many of your Lordships have emphasised, the situation as far as education itself is concerned is absolutely appalling. In so many schools, citizenship is taught only tangentially and in so many it is simply subsumed into PSHE. I will not repeat what has already been put so powerfully by other noble Lords, but imagine a school giving a wrong answer—as wrong as the answer we have disclosed—to Ofsted. Our recommendation is worth repeating:

“Citizenship should not be treated solely as part of pupils’ personal development. To do so is to misunderstand the nature of the subject in its entirety.”

Suppose a school gave an answer that totally misunderstood what it meant. What would Ofsted do about it? There would be black marks all over from any kind of examination system that gets that kind of report.

One aspect of democracy, and therefore of citizenship education, has to do with values—what has been termed fundamental British values. In its original report, the committee expressed concern about the wording of “fundamental British values” as originally conceived and suggested an alternative. Since then, I have tried to press this issue with a Private Member's Bill, which sadly was not selected, and with amendments to the Schools Bill, which the Government sadly were unwilling to accept. The purpose of what I proposed

[LORD HARRIES OF PENTREGARTH]  
was to give a much clearer definition of what should be taught under this subject. I will briefly repeat what I put forward:

“British values

(1) In any statement relating to British values for education purposes in England and Wales, the Secretary of State, OFSTED and any other public authority must include—

- (a) democracy,
- (b) the rule of law,
- (c) freedom,
- (d) individual worth, and
- (e) respect for the environment.

(2) Any statement in subsection (1) must refer to British values as ‘values of British citizenship’.

(3) In subsection (1)(c) ‘freedom’ includes—

- (a) freedom of thought, conscience and religion,
- (b) freedom of expression, and
- (c) freedom of assembly and association.

(4) In subsection (1)(d) ‘individual worth’ means respect for the equal worth and dignity of every person.

(5) In subsection (1)(e) ‘respect for the environment’ means taking into account the systemic effect of human actions on the health and sustainability of the environment both within the United Kingdom and the planet as a whole, for present and future generations”.

I will continue to look for a legislative opportunity to bring about this change. If achieved, this will help give a much clearer notion of the nature of the democracy in which we live. The word “democracy” means everything and nothing. The majority of countries claim in some sense to be democratic, so it is necessary to state what we mean by the word; otherwise, pupils will grow up with an extremely vague and sometimes misleading idea of what it means, such as it meaning only elections. It means a great deal more than that.

As noble Lords have pointed out, it is not only important that Ofsted has a clear understanding of this subject and distinguishes it from PHSE; if the subject is going to be taught, it needs enough properly trained teachers. As we pointed out in our original report, and as the Liaison Committee emphasised and we mentioned again today, the Government have been unwilling to collect statistics on the number of trainee teachers in the subject or to put forward bursaries, as they are for other subjects, to attract teachers. That is another essential failure.

The Liaison Committee’s report several times looks forward to the then proposed White Paper on schools, in which it expected these serious concerns to be addressed. But there has been no White Paper, so where do we go from here? Who will address these concerns? Will the present Government do so? I am afraid the situation is lamentable. Major failings were exposed by our committee and the Liaison Committee has forcefully shown that the Government have not faced up to them. They are still glaringly obvious.

The noble Lord, Lord Hodgson, began by saying that he thought we had failed. We may have failed to achieve our immediate objectives but I hope we will not think that we have failed totally. I mean no disrespect to the present Government but, with an election coming up in a limited period of time, there will be a new

Government—speaking as a Cross-Bencher, it may be either Conservative or Labour—coming in with fresh ideas. Already, people are beavering away, writing their manifestos and putting into their party documents the kinds of achievements they want in future. I hope those noble Lords with political influence are already working with the people devising manifestos and future programmes for government to ensure that these absolutely valid recommendations are not lost. They must be carried forward and, somehow, within the next one, two or three years, we must bring them into effect.

7.23 pm

**Baroness Redfern (Con):** My Lords, it is a pleasure to follow the noble and right reverend Lord, Lord Harries. I am pleased to have the opportunity to respond as a member of the Citizenship and Civic Engagement Committee and to state what a privilege it was to have served on it—as we have heard, it was appointed more than six years ago. I thank my noble friend Lord Hodgson for being an excellent chair and, to quote my noble friend Lady Eaton, for his diligence and determination.

This evening, we are debating the follow-up inquiry report and the issues it highlights. Revisiting the 2018 report from the Liaison Committee and the Government’s response in May 2022, and taking into account the new policy context, including the levelling-up agenda—policy must be driven intrinsically, to link it and active citizenship—it is important to acknowledge that the 2022 inquiry showed what good progress has been made with the National Citizen Service.

Evidence states how good cross-government co-ordination can be in establishing clear routes and making timely and coherent progress, and creating new ideas for early implementation. Therefore, I support appointing a Minister with active responsibility for citizenship and civic engagement in the Department for Levelling Up, Housing and Communities in the Bill currently going through the House, and for this to be included at Committee.

The levelling-up agenda must take into account consideration of the unequal landscape which we inherit and must challenge the norm to create those elusive opportunities, much harder for those in seemingly left-behind areas. That is where schools come into their own, whether situated in deprived or more affluent areas, as indeed do all educational establishments, which have such a significant role to play in developing essential life skills for our young people. In delivering those skills, timing is of the essence for citizenship to flourish, as is supporting citizens of all age groups and not putting a halt to defending our values for a vibrant society, which is the glue connecting everyone.

I ask my noble friend the Minister whether the Duke of Edinburgh’s Award is being offered to all state secondary schools to access thousands of new activities and what take-up there has been for those areas applying for the £387 million for the youth investment fund and youth service. Which areas of the country have applied and which have ultimately been successful?

I welcome that the DfE recently announced additional resources to support high-quality teaching of citizenship content, as good quality data and feedback is needed to achieve successful outcomes for trainee citizenship teachers to further enhance their roles and responsibilities.

I emphasise that citizenship education should be taught without being bundled into other subjects, valued for its importance to society, and delivered on the basis of a non-political bias.

How responsive the Government would seem if the Home Office delivered, as stated, its intention to carry out a major update on the Life in the UK Test as part of wider nationality reforms as soon as practicable. This test is hugely important, because one mistake can make the difference between an application to live here failing and succeeding. The handbook should ensure people know the principles underlying British society. Answers to questions such as how to call emergency services, report a crime or register with a GP seem not to be in the handbook, which is questionable. I ask the Minister whether the Home Office will carry out any consultation on the composition of questions to be asked before an update is reprinted.

Finally, I again emphasise just how important it is to support those vital opportunities to capture and gain real-life skills for our young citizens, wherever their communities are. All of this must play an integral part in the levelling-up agenda, and in enriching their lives and, appropriately, as the title of the report portrays, the ties that bind.

7.28 pm

**Baroness Barker (LD):** My Lords, I too congratulate the noble Lord, Lord Hodgson, not least for his tenacity in bringing these reports again and again to the attention of Ministers. I say that because it is particularly galling to see the evident indifference of successive Ministers to these reports, which have been the subject of a great deal of work, thought and consideration. It is really important. Citizenship is becoming increasingly fragile. We have a Government at the moment who, remarkably, in the wake of Windrush, seem to spend more energy and time devising innovative means to deny or deprive individuals of citizenship. I truly believe that citizenship, the ties that bind us, is a crucially important part of a healthy society which lives at peace with itself in all its diversity.

I just want to take my time to pick up on a couple of things. The first is the National Citizen Service. Since its inception, I have been sceptical about the organisation. I have never disagreed with its basic premise: that young people can and should be encouraged to develop their personal skills by taking part in projects or short programmes which benefit communities. Every Government for the last 30 years have had programmes which have tried to mitigate the effects of unemployment and bring about community benefit through volunteering. My objection has always been that the NCS, despite having no intrinsic unique value, just high-profile political endorsement, was awarded royal charter body status, which it neither needed nor deserved, and that in an area where resources are really scarce, it continues to devour the lion's share of what is available. That is despite a lack of evidence that it either delivers better tangible results than other organisations or is the most cost-effective option.

In both of our reports, we talked to the representatives of the NCS and also to Ministers to try and understand what it was doing and where it fitted in with everything

else. We were so alarmed about the lack of resources for training and for schools. We particularly talked to both about the role of the NCS. We got a reply from the Ministers that said that the

“National Citizen Service Trust’s primary function is to provide and arrange for the provision of programmes for 16 and 17 year olds in England. National Citizen Service Trust works closely with hundreds of schools through the Skills Booster initiative to deliver, or help deliver, curriculum resources to support young people’s personal development, volunteering and social action”.

I spend a lot of time looking at the NCS’s reports; I recommend that people do that. If you look at the latest available report, the NCS says that it facilitated the return to education of 60,000 young people in 400 institutions. As far as I can see, that was about support to young people trying to return to it after all the difficulties of lockdown. It cites itself as working on issues such as communication, teamwork, goal setting and planning. Well, that is fine, but quite why the NCS should do this, as opposed to any other educational support services, is really not clear to me. I really have to question the work of the NCS.

A point that I have made before is that the NCS commissions its own evaluation, and the evaluations which it has had are not comparative in any way, so it marks its own homework. You get lots and lots of statistics which, in and of themselves, are very interesting, but they really do not prove that this body is the best way to deliver outcomes. So I yet again ask the Minister when there will be a review of the NCS which is undertaken independently and which places it within the context of the two reports that we have produced. Its reports talk about it being part of a sort of ecosystem of youth support, local government and all of that, but it really does come across when you go to see it as much more of a lone ranger pursuing its own objectives.

The second thing that I, too, want to talk about is the Life in the UK test. I commend the work of the Justice and Home Affairs Committee, under the chairmanship of my formidable colleague, my noble friend Lady Hamwee. On 28 June last year, I wrote Kevin Foster MP a letter which I would say was polite but firm. In it, it was very clear; it said that the stakes for anybody taking a Life in the UK test are “very high”; if you fail that test, you may find yourself being deported, losing your income, and failing to get your indefinite leave to remain, so it is a really important and profound thing. It also said that it was really important that

“social cohesion, education, active participation, and the celebration of prospective citizens and permanent residents”

should all be at the heart of demonstrating sufficient knowledge about life in the UK. But it has said, and members of the committee have endorsed this, is that frankly, to people sitting that test, it is baffling. They are asked questions which they simply do not understand, and they do not understand why they are being asked these questions and what they will do to help them be any more fully engaged in society.

The committee of the noble Baroness, Lady Hamwee, suggested that yet again we were having a promise of a review. It has been years since this review has been promised but what we really need and I am glad the noble Baroness, Lady Eaton, has had an email, I do not think I have—

**Baroness Eaton (Con):** I am sorry, I think I may have imagined or misread an email from earlier in the day, so I am sorry if I have sent hares running. I apologise.

**Baroness Barker (LD):** Okay, I am not going to go chasing hares. We need a timetable for the start of this review and for its completion because it has been dragging on for so long, it is an embarrassment.

I was particularly taken by the description that said that the history section of the Life in the UK test is insensitive and embarrassing. It truly is. It is so full of subjective views of our history. As the noble Baroness, Lady Redfern said, all sorts of practical information that every individual might need to live life in this country is not there.

One other thing that nobody has yet talked about is the lack of availability of centres to take the test and the not inconsiderable cost of sitting the test. By the time you have bought the book and booked everything up it can be in excess of £300 to do this test on which your future rests.

All roads round, I think it is quite clear that the Government have for far too long just dragged their heels on this. I think it is an initiative that was started by a Labour Government. It was always going to be contentious but everybody accepts it could be an enormously valuable contribution to citizenship for communities. I do not know whether Members have gone along to a local citizenship ceremony but it is a lovely thing to watch communities celebrating and welcoming people to come and live.

I simply say to the noble Baroness, Lady Barran, that she is on a very unfortunate wicket this afternoon but I hope that she will not be, like a long line of her predecessors, somebody who bats us off with very little detail and no commitments because we do ourselves an injustice if we let this go any further.

7.37 pm

**Baroness Twycross (Lab):** My Lords, I declare an interest, as my husband, who is Norwegian, is currently studying towards the Life in the UK test which is mentioned in the committee's report and to which I will refer during this debate.

I add my words commending both committees for their important work and their unceasing commitment to holding the Government to account over many years. As the report and several noble Lords have said during the debate this afternoon, there is a long way to go when it comes to supporting members of the public to have a thorough and rich engagement in civic society. I also commend the noble Lord, Lord Hodgson, and say that in his opening reflections on the work of the committee he was probably a little too harsh in his school report card on the impact of the work of the committee but spot on on the continued importance and need for young people to understand how to be good citizens and make their voices heard. There clearly is a need for the Government and Ofsted to take citizenship more seriously.

What struck me and has been evident in this debate is that is clear that there have been missed opportunities in the citizenship test, the National Citizenship Service

and teaching citizenship in schools. It is evident that there are multiple serious deficiencies in the Government's approach and I seek assurances on some of these today.

My noble friend Lady Morris and others, including the noble Baroness, Lady Scott, the noble and right reverend Lord, Lord Harries, and the noble Baroness, Lady Redfern, were clear that where the Government value things, they have the option of assigning a Minister. I agree that this is normally the case. Will the Minister tell us in her remarks if this is going to be addressed?

The noble and right reverend Lord, Lord Harries, like many of those speaking, described citizenship teaching in very strong terms, I think calling it "appalling". I was particularly struck by the comments from the noble Lord, Lord Hodgson, on the teaching of citizenship in schools and the downgrading of subjects, leading to an ever decreasing number of teachers.

The Liaison Committee's follow-up report finds that, despite warm words, citizenship education is not yet a priority for the Government's schools strategy. Damningly, as highlighted by many noble Lords during this debate, the report finds that Ofsted does not take citizenship education seriously. I agree with noble Lords that PSHE is not the same as citizenship, and the noble Lord, Lord Hodgson, is right in differentiating between the "I/me" of PSHE and the "we/us" of citizenship. They should be treated as separate and distinct subjects.

I was particularly struck—I think someone else also noted this—by the quote in the report from James Weinberg, who said that

"those in the top quintile for household income are five times more likely to participate in political activities".

As the noble Baroness, Lady Eaton, said, the removal of barriers to democratic activity is vital. She is right that this is an issue for the levelling-up agenda and for government. The noble Baroness, Lady Scott, also noted that this is lacking from the levelling-up Bill, while the noble Baroness, Lady Redfern, noted the opportunity this Bill might present to government as it goes through the parliamentary process. As my noble friend Lady Morris said, on any other subject, the inadequacies pointed out in the quote from James Weinberg would have been addressed. If active citizenship means anything, it must include active participation in civic life, including political activities of all types, whether party-political—as most noble Lords have chosen—or issue-based activism. As the noble Baroness, Lady Scott, noted, active citizenship can also extend to volunteering and the voluntary sector, the growth and health of which we would all want to encourage.

I was concerned that the Government's response to the report said that many of the recommendations on Ofsted were "a matter for the Chief Inspector", although I note that their response to recommendation 12 acknowledged engagement between the department and the inspectorate. How will the Minister ensure that, going forward, Ofsted is equipped with the right training to assess the quality of citizenship education effectively? Labour is committed to reforming statutory citizenship provision within the national curriculum, placing a particular focus on practical life skills and employment skills, for example.



I turn to the Life in the UK test, which, as has been noted, is a gateway to becoming a UK citizen or having a permanent right of residence, and which is rightly being criticised. The noble Baroness, Lady Barker, queried some subjective choices of questions. As someone who studied literature, I would say that all choices of questions are subjective; but there is an active choice to be made and at the moment, the questions as outlined are probably not most the appropriate.

As recently as last week, Durham University published a study that found that prospective candidates are being asked to memorise ridiculous trivia such as the height of the London Eye, and that the test is riddled with errors such as an incorrect date for the death of the late Baroness Thatcher. As I mentioned, my husband is Norwegian and is studying for the test. When I test him on the questions, he sometimes corrects me. He was clearly right when adamant that the answer to a model test question on the Vikings was incorrect. As the noble Baroness, Lady Redfern, noted, one “wrong” answer can make a difference to the applicant. I would struggle to persuade my husband to give the wrong answer to a question about the Vikings.

While the pub quiz is a very real and valuable aspect of British culture, I cannot believe that the Minister would agree that it is the best model for testing whether people seeking to become British citizens understand what this means. Can the Minister tell us either the height of the London Eye—or why this type of information is relevant? Can she tell us when the handbook might be updated, rather than simply repeating what the report says: that the Government are committed to setting out their plans to update it? I would be grateful if she could explain why the Government cannot just get on with updating the handbook, and if she could press her government colleagues—accepting that it is a different department—to avoid kicking this into the long grass.

Finally, the last we heard from the Government was that the Inter-Ministerial Group on Safe and Integrated Communities has not met since 2019. Notwithstanding the fact that we have had a pandemic—we are no longer at its height—will the Minister say whether the group is still not meeting and, if so, whether it has been wound down or replaced with anything else? It is too crucial an agenda to be allowed to drift.

It is clear from the debate and everything noble Lords have said that citizenship matters, not simply because of legal status but because of values—values of loyalty fostered through feeling as though you belong. In this context, I found an article on the Migration Observatory website, *Citizenship: What Is It and Why Does It Matter?*, particularly thought provoking, covering both the legal status of citizenship and ideas of belonging. Surely, we want people of all ages, and our new citizens, not just to know that they are legally British but to be proud of our country and of the contribution they can make to its future, and to be proud because they feel that they belong. We want them to feel this pride irrespective of what language they speak at home or where they were born.

I thank the noble Baroness, Lady Barker, for mentioning the NCS, because we did not cover it very widely in the debate. As she noted, it could do more to

foster citizenship. I would welcome the Minister’s thoughts on her proposal of a review.

In today’s challenging world of online conspiracy theories, culture wars and, notably, the prohibitive voter ID laws from the Government, a firm commitment to building a strong and resilient society that builds up trust in politics and politicians must be at the heart of public policy-making. The noble Lord, Lord Norton, said that politicians are part of the problem, but he was absolutely right to say that they are also part of the solution. I hope the Minister can assure us that the Government are committed to being part of the solution, taking the recommendations of both committees seriously and acting on them sooner than the formal response suggests that they might.

7.47 pm

**The Parliamentary Under-Secretary of State, Department for Education (Baroness Barran) (Con):** My Lords, I thank my noble friend Lord Hodgson of Astley Abbots for securing this debate and for his skilful chairmanship of the committee and all noble Lords who contributed to the report and who have spoken today.

The Government agree with the committee that citizenship education and civic engagement opportunities are essential parts of a well-functioning democratic society. My noble friend focused in particular on curriculum and teaching and the Government’s role in that and in relation to Ofsted. I agree with other noble Lords that those things are fundamental but need to be linked to opportunities for young people to explore citizenship in practice or in real life. In terms of our approach, linking those two things is the golden thread that runs through the Government’s policy.

A number of your Lordships, including the noble Baroness, Lady Twycross, questioned the absence of a dedicated Minister. That might be worthy of debate in its own right. As your Lordships know, the Government currently do not have plans to appoint a Minister in this area. Responsibility for chairing the Inter-Ministerial Group on Levelling Up sits clearly with the Secretary of State in DLUHC, and that group oversees delivery across the 12 levelling-up missions, with a real focus on empowering local leaders. A number of your Lordships raised the importance of this being owned locally. I thank the noble Baroness, Lady Scott of Needham Market, for reminding the House about the different “capitals”, in particular the social capital pillar, with its focus on the strengths of communities, relationships and trust.

We believe that key to achieving this is that empowerment of local communities, which is why there has been such a focus on devolution. Not only do we have an interministerial group but we also have an independent advisory council, advising the Government on their approach to place-based policy, including the role of local communities and social infrastructure in levelling up.

On education specifically, as your Lordships have put more eloquently than I can, a high-quality citizenship curriculum gives extraordinary opportunities for pupils to understand their place in the world, in their local communities, in their country and globally. Citizenship is an important national curriculum

[BARONESS BARRAN]

subject at key stages 3 and 4, and all schools are encouraged to teach it as part of a broad and balanced curriculum.

The noble Baroness, Lady Morris of Yardley, was not the only person who painted a bleak picture of the state of citizenship education. I will shed a little light on that bleakness. We saw a 5.9% increase in the number of GCSE candidates taking citizenship studies in the summer of 2022, compared to 2021. That was up 19.5% from 2018, to just under 21,500 students. On teacher numbers, my noble friend Lady Eaton—forgive me if it was another noble Lord—suggested that teacher numbers had halved. Actually, since 2018, teacher numbers have declined slightly, but from 4,451 to 4,152 in 2022—not the dramatic decline that was suggested.

We also now have the Oak National Academy, which became an arm's-length body in September 2022 and provides adaptable and optional support for schools. New curriculum packages are being developed, including in relation to citizenship, so that every school can be confident that there is a high-quality and well-sequenced curriculum that it can follow if it wishes.

Your Lordships also made a number of recommendations on the inspection of citizenship teaching. The department expects citizenship to be considered a significant part of Ofsted's routine inspections. In contrast to your Lordships' remarks this evening, we are satisfied that the current approach achieves this in a proportionate way. Ofsted has confirmed that evidence on citizenship is considered in every inspection, including the extent to which schools are preparing pupils for life in modern Britain effectively, through relationship education, citizenship and the promotion of fundamental British values.

My noble friend Lord Norton of Louth asked what action is being taken to make sure that there is compliance with the committee's recommendations. Of course, Ofsted is an independent arm's-length body of the Government, but I am happy to ask His Majesty's chief inspector to respond to your Lordships' various suggestions and reflections on citizenship not being properly understood within the curriculum or adequately covered within Ofsted inspections.

In response to my noble friend Lady Eaton and the noble Baroness, Lady Morris, about the approach that Ofsted uses, I think it would be unfair to suggest that Ofsted does not have high expectations for citizenship in schools. As with other subjects, Ofsted expects the curriculum to be structured to enable pupils to build knowledge through clear sequences of lessons and any other activities that schools may organise.

I turn now to teaching. The report, as your Lordships reminded us, made recommendations relating to investment in the school workforce. Obviously, the Government are very focused on recruitment and retention of all teachers, including in relation to citizenship, and recruitment to citizenship initial teacher training courses is unrestricted for providers. Citizenship teachers are of course eligible for tuition fee and maintenance loans, but we have focused on particular shortage subjects in relation to bursaries.

The noble and right reverend Lord, Lord Harries, talked about the amendment he put down to the Schools Bill, and a number of the elements he set out

clearly in that amendment are explicitly covered in the citizenship curriculum. More broadly, your Lordships will be aware that the department published its sustainability and climate change strategy, which was developed together with young people. That really sets out how seriously we take climate change and the environment, which is an important part of the sense of being a citizen for many young people, within the department. As part of that, we have announced a national education nature park and climate action awards scheme, which will give educational opportunities for young people to take part in citizen science as well as a number of other activities.

On the National Citizen Service, as I said in my opening remarks, our vision as a Government is not only that young people have opportunities to learn about citizenship and gain the knowledge that they need in order to be responsible and active citizens but that they are given opportunities to, if you like, do citizenship and participate. That is why the new National Citizen Service is investing more than £20 million over two years in community experiences with a real focus on social action, volunteering and civic participation.

I was quite surprised at the tone of the remarks from the noble Baroness, Lady Barker, because the National Citizen Service has evolved its delivery model, partly in response to your Lordships' recommendations. I thought it might have got a green tick for its response. First, there is a much greater focus on partnership—working with the voluntary, community and social enterprise sector—as well as much greater engagement with schools through the skills booster programme, which the noble Baroness referred to. That programme has now been accessed by about 7,000 schools—about a third of the schools in this country—which is major progress from the figures the noble Baroness mentioned.

Officials within DCMS and the Department for Education are continuing to explore opportunities to improve access to active citizenship, including through promoting the NCS. Over 100,000 young people took part in NCS experiences in 2022, with the new, reformed programme starting this year. The new programme is open to all 16 and 17 year-olds, with support available for the most disadvantaged.

My noble friend Lady Eaton and the noble Baroness, Lady Barker, asked about the impact of NCS. The independent research undertaken by the Behavioural Insights Team showed that completing the National Citizen Service programme leads to a 12% increase in participation in politics, so, if that were to be modelled across all 16 to 25 year-olds, they would be the second-highest participating age group, as opposed to the second-lowest, which is where they are today. Research by Kantar also showed that the NCS statistically increases levels of social trust, which your Lordships, including the noble Baroness, Lady Twycross, rightly highlighted as a matter of importance.

We are making excellent progress against the national youth guarantee commitments, which my noble friend Lady Redfern asked about. Since September 2021, government funding supported over 11,500 more young people to take part in the Duke of Edinburgh's Award in school. Some 2,000 more places have been created for uniformed youth groups in cold spots since September

2022, and £90 million of the £300 million youth investment fund has been allocated to 43 organisations to rebuild and renovate youth centres in some of the country's most disadvantaged areas. The new NCS programme has, in effect, double the investment in 53 priority areas, providing the same focus on those areas that need support most.

The noble Baroness, Lady Scott of Needham Market, mentioned Community Action Suffolk. I remember my very happy visit with her to Community Action Suffolk to see its great work. However, we know that volunteering more broadly is one of the top three priority activities identified by over 6,000 young people in the 2021 *Youth Review*. The National Youth Social Action Survey 2019 found that young people were eager to make a difference, with 88% saying that they “cared about making the world a better place”.

Last year, 434,492 votes were cast by young people engaged in the UK Youth Parliament's Make Your Mark campaign, which was up 18.5% from 2020. The national youth guarantee is supporting local youth volunteering opportunities via the #iwill fund, through which it is projected that over 695,000 youth social action opportunities will be created by March 2027.

My noble friend Lady Eaton asked about the percentage of the funding in the national youth guarantee that goes specifically towards citizenship. It is genuinely quite difficult to separate that out, because, as the report described, there is a civic journey, and the plan with the national youth guarantee is to encourage young people along that journey.

On the Home Office's Life in the UK Test, your Lordships' report recommended that the Government set up an advisory group with a diverse and expert membership to review the test within 12 months. The Government are clear that the Home Office will need to engage a range of experts and stakeholders when undertaking the review, but at this stage they cannot commit to setting up such an advisory group. My noble friend Lord Hodgson and others asked about the timing of when the plans will be published to update the Life in the UK handbook, and I can confirm that that will happen in the second half of this year. In response to the critique of the test from the noble Baroness, Lady Barker, I say that 91% of candidates who took the test in the last 12 months said that they were either “very satisfied” or “satisfied” with the service they received.

What I heard from your Lordships this evening was very critical of the Government in our response to specific recommendations in your Lordships' reports. Your Lordships expressed a real concern that there needs to be a coherence and a focus on how the Government are tackling the important issue of citizenship. As I have acknowledged in my speech, there are absolutely areas where the Government have not adopted the recommendations made in your Lordships' reports, but I hope that your Lordships will also acknowledge that, while we may not approach it in exactly the way they have recommended, there is a coherence to what we are doing to try to bring together that knowledge of the curriculum, the rigour of inspection and the practical experiences that we offer young people.

We know that we need to offer young people a range and a choice of activities and focus on those which we know, from evidence, make the most difference to civic participation. Of course, that includes volunteering and activities that, by design, bring young people from different communities together, as well, of course, as giving young people the knowledge and the confidence to think independently, to think critically, and to be responsible citizens. I genuinely thank all noble Lords for their engagement on these incredibly important topics. My noble friend talked about tying the pink ribbon around the report. I reassure the Committee that we are not tying any pink ribbon yet around our work in this area: we will continue to strive to deliver on the aspiration of your Lordships' reports.

8.06 pm

**Lord Hodgson of Astley Abbotts (Con):** My Lords, the Order Paper for today says that the Committee will rise at 7.45 pm. It is now some way past 7.45 pm, and it therefore behoves the chairman not to detain the Committee any longer than is strictly necessary. Therefore, let me just make a couple of quick points. First, I thank my noble friend for a very full and thoughtful reply. There were lots of statistics in there, which I look forward to having a chance to read and inwardly digest—I could not very well take them on as they came at me, but they all sounded very impressive.

When a chairman gets things wrong, he ought to say so. Well, “the pink ribbon” was not about giving up on the subject. I think we should go on with the subject until the walls of Jericho fall and we sound the trumpet. I think we should definitely do that—the pink ribbon is just that the committee has now really run its course, and that is why I used that phrase. Secondly, I wrongly attributed “me” and “we” to the noble Baroness, Lady Lister. I should of course have attributed it to the noble Baroness, Lady Morris of Yardley, so let me correct that.

The noble and right reverend Lord, Lord Harries, and the noble Baroness, Lady Twycross, took slight issue with my use of the word “failure”. They are probably right. Probably, the noble Baroness, Lady Barker, got it right in saying “indifference”. I think that is the right word, rather than failure. We have lit a bit of a fire, but it is really only sputtering along, and indifference remains the prevailing view of it, I think—though, as I say, we must read carefully what my noble friend the Minister said.

We had some powerful speeches about the Minister, the importance of the Minister and the importance of education. Among them, as would befit an ex-Secretary of State for Education and a current professor at a university, were powerful voices from those who know what is really going on on the inside.

I shall just take a slightly querulous point of view about the Life in the UK test. My noble friend Lady Eaton may have set a hare running, but there is no hare: we are no further forward than we were three, four, five or six years ago. It is always going to be “in the autumn”, and this autumn never comes. I do hope we can now make it happen, because if you read the reports, it is always, “We are about to set up a group”, “We are going to do it”, “It is very important”—blah blah

[LORD HODGSON OF ASTLEY ABBOTTS]  
blah—“but it will take a little time, and we will come back to you when we are ready”. I do think we need to get that right.

I do not doubt my noble friend’s commitment to this—absolutely, she showed that this evening. Where I felt that I was listening to a very strange set of words was when she was quoting Ofsted. I think that Ofsted talks the talk, but it does not walk the walk. I really do not. It sends wonderful messages to the Minister and her officials, and the result is that that is regurgitated to us. I understand why that happens, but I do not

think it is happening down on the ground, unless Ofsted has gone on a Damascene conversion in the last 12 months. All the interactions that we had with Ofsted showed that it was not interested, not committed and did not really care about this. If I add a last request, it would be for my noble friend to act as Dyno-Rod in connection to Ofsted and citizenship education.

*Motion agreed.*

*Committee adjourned at 8.10 pm.*