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PARLIAMENTARY DEBATES  
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# HOUSE OF LORDS

## OFFICIAL REPORT

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<b>Abbreviation</b>	<b>Party/Group</b>
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind 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 13 November 2023

2.30 pm

*Prayers—read by the Lord Bishop of St Albans.*

### Alternative Investment Fund Managers Regulations 2013

*Question*

2.36 pm

*Asked by Baroness Altmann*

To ask His Majesty's Government what assessment they have made of the impact of disclosure obligations under the Alternative Investment Fund Managers Regulations 2013 on UK-listed investment companies, in terms of competition, consumer duty, exclusion from investor platforms, and funding crisis for such companies investing in UK small growth businesses, renewable energy and infrastructure.

**The Parliamentary Secretary, HM Treasury (Baroness Penn) (Con):** My Lords, the Government and the Financial Conduct Authority understand industry concerns regarding investment company cost disclosure requirements. The issue sits across multiple areas of legislation and we are working at pace to repeal retained EU law under the smarter regulatory framework, enabling the FCA to deliver UK-tailored rules. On the alternative investment fund managers directive specifically, work has already started on plans for reform, with a discussion paper issued by the FCA in February.

**Baroness Altmann (Con):** I thank my noble friend. However, does she recognise that an important UK financial sector is being undermined by selling pressure based on exaggerated reported charges figures? These listed, closed-ended investment companies and their institutional investors support British companies in areas including battery storage and wind and solar farms, and offer particularly suitable vehicles for pension funds and other investors in sustainable growth. However, they are deterred by misleading aggregated costs, including by retail investor platforms. Has the Minister's department urged emergency action following FCA failure to protect the market stability, international competitiveness, fair competition and the consumer duty?

**Baroness Penn (Con):** My Lords, I agree with my noble friend in recognising that investment trusts play a vital role in raising capital for infrastructure projects across the UK. The FCA is of course independent, but I understand that it is taking forward work to look at what can be done in this area while we take forward the wider programme of measures to repeal retained EU law and replace it with UK rules that will help to address the issue that she raises.

**Baroness Bowles of Berkhamsted (LD):** Does the Minister recognise that the debate around aggregated cost disclosure and associated errors arising from misapplied legislation has highlighted difficulties of amending retained EU law rapidly and the absence of

FCA powers to amend legislation or issue useful forbearance notices when needed, given concerns about FiSMA Section 138D on right of action? Can the Minister explain whether His Majesty's Government are considering how emergency action or forbearance can safely be introduced to avoid being in a tighter static regulatory bind than when we were in the EU, where ESMA had more flexibility and power?

**Baroness Penn (Con):** I reassure the noble Baroness that the FCA has the appropriate powers to implement regulatory forbearance where it considers it appropriate, but it must operate within the legal framework and it does not have the powers to amend legislation—that is for this House to do. It is right that forbearance can only be a temporary, short-term fix. That is why the Government are committed to repealing and replacing retained EU law, including legislation related to cost disclosure, under our smarter regulatory framework.

**Lord Hodgson of Astley Abbotts (Con):** My Lords, does my noble friend recognise that there really is a win-win situation here—a proven method of investment, offering individuals an opportunity to invest in new technologies relatively safely and new sources of funding for those technologies? The only thing standing in the way is the FCA. Where there is a will, there is a way, so could my noble friend please ask the FCA to engage in some digital extraction?

**Baroness Penn (Con):** I reassure my noble friend that the FCA is indeed engaged in this issue, as are the Government. There are many problems with inherited EU financial services rules and we have set out a programme of work to look at how we can repeal them and replace them with UK-appropriate measures. These include the PRIIPs rules, which affect this issue, and the Government have set out our plans to repeal these measures and replace them with FCA rules, as soon as possible.

**Lord Livermore (Lab):** My Lords, the primary duty of the FCA is to deliver stability, but the noble Baroness, Lady Altmann, raising this issue today is not the first time that concerns have been raised about apparent instability in certain markets. Does the Minister remain satisfied that the FCA has the tools and expertise it needs to uphold its duties, and is she confident that it has the capacity to meet its growing workload?

**Baroness Penn (Con):** My Lords, I do remain satisfied and I believe that the Financial Services and Markets Act, which passed through this House earlier this year, updates the tools and framework for the FCA to do its job, now that we have left the EU.

**Baroness Kramer (LD):** My Lords, the noble Baroness, Lady Altmann, has a Private Member's Bill before this House, which would create the proper framework for the important investments that she has been discussing. I hope the Government will support her Bill, but would the Minister also introduce a statutory instrument to the House, as proposed by my good noble friend Lady Bowles on many occasions, which would rectify the immediate and emergency situation that is discouraging investment in critical activity in this country?

**Baroness Penn (Con):** My Lords, I have not yet seen the details of my noble friend's Private Member's Bill, but I will look at it closely. The noble Baroness, Lady Kramer, is right that the noble Baroness, Lady Bowles, has raised this in the past and I thank her for her work in this area, including her detailed suggestions to reform MiFID, which the Government are considering. As I have said, FSMA 2023 gives us the powers to repeal and replace retained EU law in a more agile way. We intend to use those powers to solve the issue before us.

**Baroness Hayter of Kentish Town (Lab):** Will the Minister tell us what consultation has taken place with the Financial Services Consumer Panel and other consumer groups on this?

**Baroness Penn (Con):** My Lords, the operation of the consumer panel and other panels of the FCA is a matter for the FCA. I am sure that it draws on all its different panels, as appropriate, when taking forward its work programme.

**Lord Davies of Brixton (Lab):** My Lords, one recognises the important issue being raised, but the context has to be understood of a financial services industry that does not have an unblemished record, in terms of the personal pensions and endowment insurance scandals. The FCA has to recognise that it cannot take the good will of the industry towards the client as given.

**Baroness Penn (Con):** My Lords, some of the issues that the noble Lord sets out are why it is important to take forward the programme of reform in a measured way that takes into account the interests of all involved in the sector, whether industry or consumers, and makes sure that we have proper consultation in everything that we do.

**Lord Howell of Guildford (Con):** My Lords, I think the bottom line of this Question is how to get trillions invested in our pension industries back into British enterprise and investment again. At one stage this was considerable, at about 60%, and it is now down to 40%. Is this not a matter of prime urgency in getting the economy really moving again? Can my noble friend outline the key steps she thinks should be taken, or are being taken, to get our pensions trillions back into British industry in a massive way?

**Baroness Penn (Con):** My noble friend is absolutely right about ensuring that pension funds are invested in the future of British industry. In fact, this was the theme of my right honourable friend the Chancellor's Mansion House speech this year. He set out a number of reforms that the Government are taking forward to support this. There was rapid consultation on a number of those areas, and we expect further updates at the Autumn Statement.

**Lord Hannan of Kingsclere (Con):** My Lords, repeal of the AIFMD should have been straightforward. When it was brought in some 16 years ago, it was opposed by every party. It was opposed by Labour and the Conservatives, the industry and financial services more widely. What we are seeing here is the way in

which, once a sector absorbs the administrative costs of doing something, however much it opposed it coming in, it then becomes an opponent of repeal. Is it not the role of Ministers to look beyond producer capture and look at the interests of the companies that do not yet exist and, above all, at the interests of consumers?

**Baroness Penn (Con):** My noble friend is absolutely right. The Government consulted extensively when the Alternative Investment Fund Managers Regulations were introduced. That was some time ago but, as part of the smarter regulatory framework, we are working closely with the FCA to explore what changes can be made to AIFMD to make it more streamlined and tailored to UK markets. I assure all noble Lords that that work is being taken forward with urgency.

**Baroness Altmann (Con):** My Lords, may I press my noble friend? She says the FCA has regulatory powers for forbearance. Given that this is EU-derived legislation that has been misapplied in the UK, no EU country adopts it, no other country in the world adopts it and it is uniquely disadvantaging British companies, is there not a case for emergency action from the FCA once it is aware of this particular problem?

**Baroness Penn (Con):** My Lords, the FCA can apply forbearance when it comes to its rules, but it cannot when it comes to the law; it is for this House to amend the law. I set out that the Government intend to look at the various pieces of underlying EU legislation, including PRIIPs and MiFID, to ensure we address the underlying problem as well as applying forbearance while that work is under way.

## Flying Schools: Liquidation *Question*

2.47 pm

*Asked by Lord Balfe*

To ask His Majesty's Government whether they will convene a working party consisting of the Civil Aviation Authority, Financial Conduct Authority, the Department for Transport and any other relevant body, to examine the case for strengthening consumer protections for customers of flying schools who lose money when such schools go into liquidation.

**The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con):** My Lords, we fully sympathise with those affected and recognise the substantial impact on those individuals. It is important to note that these recent closures represent around 1% of the training school market. We are actively considering options to support current and potential future trainee pilots, including improving guidance from the Civil Aviation Authority.

**Lord Balfe (Con):** I thank the Minister for her Answer, but three flying schools have gone into liquidation this year. Individual customers are owed up to £80,000 each, and a debt of over £4 million is very unlikely to be paid by the liquidators overseeing this. Surely it is the job of government to protect individuals who are put in this invidious position, where they have to pay up front for a service that is just not being



delivered. Certainly, in one case, a flying school was collecting money almost up to the day that it collapsed. We need the Minister to do something. My Question suggested a framework for moving forward. Will she agree to investigate that framework and see whether she can make it work?

**Baroness Vere of Norbiton (Con):** My noble friend is, I believe, honorary president of BALPA. I am sure he will be reassured to know that I met BALPA, the airline pilots' union, on 19 September alongside the CAA to discuss this issue. A number of ideas were taken forward but it is clear that we need to improve the guidance and information available to trainee pilots such that the amounts of money handed over are not excessive, because they do not need to be. There is a significant amount of competition in the flying school market. If a candidate is asked to hand over too much money, frankly, he or she should potentially look elsewhere.

**Lord Kirkhope of Harrogate (Con):** My Lords, as one of those who benefited from learning to fly at a municipal flying school, I am concerned that a number of flying schools are ceasing to trade. I wonder therefore whether my noble friend can do more to encourage our UK-registered airlines; in particular, to make sure that they train their future pilots at UK flying schools rather than at flying schools in other parts of the world.

**Baroness Vere of Norbiton (Con):** As my noble friend is aware, the aviation sector and the flying school sector are private sectors. I reassure him that we have had a number of conversations with airlines around the need for skills, including new pilots. The airlines do not currently see a pressing pilot shortage; however, I am very pleased that both British Airways and TUI now have cadetship programmes in place. That is great for supporting new trainees, but also really good for increasing diversity.

**Lord Sikka (Lab):** My Lords, the issues raised by the noble Lord, Lord Balfe, are experienced by millions of people who pay for goods and services in advance, but then do not receive them because the supplying entity has gone into liquidation. A good way to protect innocent customers is to ring-fence all credit balances. If the Minister disagrees with that suggestion, what else would she propose?

**Baroness Vere of Norbiton (Con):** I think the noble Lord is trying to tempt me into the wider economy, when I am focused on flying schools. But when trainee pilots pay money over to the flying schools, they should ask themselves whether it is reasonable. BALPA is considering a finance fairness charter, which I am sure the noble Lord would also support, which would ensure that flying schools that sign up do not accept excessive advance payments, and that they commit to transparency regarding costs and charges.

**Baroness Randerson (LD):** My Lords, the Minister seeks to downplay the significance of these problems, and the demise of these three companies. She seeks to downplay the amount of money that is owed to individuals—£80,000 is a significant amount to most people. Is she not concerned that the situation will

undermine the reputation of the UK aviation industry, and the skills for aviation that we really need to build up as a nation, rather than undermining them with the failure of companies?

**Baroness Vere of Norbiton (Con):** Three flying schools have closed. One of those was a planned closure, and the trainees were not impacted. Two were unplanned closures, and trainees were impacted. There remain around 270 flying schools. As I said, it is a small amount. The noble Baroness mentioned £80,000; I cannot corroborate that figure. That seems quite high to me; it would mean that somebody is paying for their entire training up front. Again, this is the point I am trying to make; it is up to the trainees. Working with BALPA and the CAA—wherever trainees get their information—it is about getting the information to them to say: “You do not need to pay vast amounts of money up front, and if a flying school is asking for that, it is entirely reasonable to go elsewhere”. As I say, there are 270 flying schools in the UK.

**Lord Tunnicliffe (Lab):** My Lords, this issue is essentially a financial one. It is a matter of the chaotic planning of pilot training. Ever since the Second World War, there have only been periods of it being properly done. I was trained in the 1960s, paid for by the national airlines. That yielded a group of pilots which has created four decades of ever-increasing safety. Mistakes were made in demand; I was also responsible for those, having got the number of pilots catastrophically wrong—we had too many. It has gone on like that. In the recent past, we have had this magic formula of leaving it to the private sector. Now, things have happened to the private sector that have put these relatively small businesses under stress. The Minister's department needs to study the whole thing and see where we are.

I think there must be a real crisis because, as the Minister will know, British Airways has launched the Speedbird Pilot Academy for 60 candidates—wholly paid for, including board and lodging. The problem that has emerged is twofold. First, becoming an airline pilot is probably the profession that needs the right parents more than others as £120,000 is the sort of figure you need. Secondly, there is instability among the flying schools. Will the Minister look into this problem and see whether she can bring some stability to the situation?

**Baroness Vere of Norbiton (Con):** I am grateful to the noble Lord. The Government have already looked at this and we continue to look at this in some detail. In May this year we published an independent research report commissioned by the Department for Transport which looked into the cost of airline pilot training and the numbers that we are likely to need. It forecast a shortage in about 20 years. However, that prediction was highly uncertain, so I would very much like the airlines to work with the training schools and BALPA to come forward with proposals, which I will happily look at.

**Lord Trefgarne (Con):** My Lords, is it not the case that many flying schools are having increasing difficulties with the environmental constraints being imposed upon

[LORD TREFGARNE]

their operations by local authorities, meaning that they can fly for fewer hours during the day than previously, which is beginning to cause something of a problem?

**Baroness Vere of Norbiton (Con):** I was not aware of the issue that my noble friend has raised. It is right that local authorities are able to impose restrictions on aerodromes in certain circumstances. However, they must do that balancing the advantages of having an aerodrome in a certain location, not only in terms of getting people learning to fly, but all the ancillary services and other businesses that are often on aerodromes and are hugely beneficial.

**Lord Berkeley (Lab):** Does the Minister agree that one of the reasons for these flying schools getting into difficulty is the lack of air navigation aids, which were cancelled when we Brexited? Will she look into reinstating EGNOS or possibly Inmarsat so that not only can more people can learn to fly but so that we can fly to the Hebrides or the Scillies more easily in fog?

**Baroness Vere of Norbiton (Con):** The noble Lord is pushing the boundaries of this Question and indeed my patience.

**Noble Lords:** Oh!

**Baroness Vere of Norbiton (Con):** No, no, no. The noble Lord knows that the two are not particularly related. He makes representations to me about EGNOS, and I am always grateful to receive them.

## Certificate of Sponsorship: Foreign Health and Care Workers *Question*

2.58 pm

*Asked by Lord Oates*

To ask His Majesty's Government whether they will take action to ensure that care providers who issue out-of-country certificates of sponsorship to foreign health and care workers provide sufficient work to allow them a living wage while resident in the United Kingdom.

**The Parliamentary Under-Secretary of State for Migration and Borders (Lord Murray of Blidworth) (Con):** My Lords, the Home Office's sponsor licence system places clear and binding requirements and obligations on employers, including paying the required salary, looking to recruit and manage overseas employees across all sectors, including care. Should an employer be found in breach of these requirements, we will swiftly take action and can remove its ability to recruit from overseas.

**Lord Oates (LD):** I thank the Minister for his Answer. Is he aware that those requirements are frequently not complied with? Is he aware that the Kenyan and Zimbabwean diasporas report certificates of sponsorship regularly being sold in those countries for many thousands of pounds to care workers who, when they arrive, are not provided with sufficient hours of work to enable

them to live, leaving many indebted and destitute? Will the Government end this scandal by requiring a minimum number of hours of work to be provided, and enforcing compliance through an audit of HMRC records held for every employer for whom a certificate of sponsorship is issued?

**Lord Murray of Blidworth (Con):** The rules provide that care workers must be paid at least £20,960 per annum, not lower than £10.75 per hour based on a 37.5 hour working week. The Government do not tolerate illegal activity in the labour market. Any accusations of illegal employment practices will be thoroughly investigated, and it goes without saying that we strongly condemn the offering of health and care worker visas under false pretences.

**Lord Laming (CB):** My Lords, recently I had brief contact with a residential care home where it seemed that many of the front-line care staff were from the Philippines. It made me realise that these staff were a long way from home and unlikely to understand the safeguards in British employment law. Is the Minister satisfied that safeguards are in place for such staff?

**Lord Murray of Blidworth (Con):** Yes, I reassure the noble Lord that the Home Office works very closely with the Department of Health and Social Care on ensuring the safety and security of those who come to work here on visas and of those for whom they care.

**Baroness O'Grady of Upper Holloway (Lab):** My Lords, does the Minister agree that a key problem with the health and care worker visa scheme is that it forces workers into dependency on an individual employer? If a worker leaves that job, they need to find another sponsoring employer within 60 days or face deportation. The terrible truth is that many vulnerable care workers are more frightened of the Home Office than they are of an exploitative boss. Does the Minister agree that the Government should introduce a sector-wide fair pay agreement, strengthen workers' rights and work with trade unions so that workers have the confidence to exercise their rights?

**Lord Murray of Blidworth (Con):** I reassure the noble Baroness that migrant workers are able to seek alternative employment in the event that their initial placement is unsatisfactory for the reasons that she outlines, provided that they have a job offer from a Home Office-approved sponsor—which of course stands to reason. They can make a new application for a further visa in those circumstances.

**Lord Allan of Hallam (LD):** My Lords, does the Minister agree that it would be very helpful to have a long-term national social care workforce plan, so that we can compare the assessed need for care workers from overseas with the number of certificates of sponsorship being issued?

**Lord Murray of Blidworth (Con):** As I said, the Home Office works closely with the Department of Health and Social Care in relation to the requirement for those working in the health and social care sectors—and there is a lot in what the noble Lord says.

**Lord Harries of Pentregarth (CB):** Recently, it has been reported that a number of care workers have been exploited. The Minister has given assurances that this is totally unacceptable. How many prosecutions have taken place over the last year of people, bodies or care homes that have exploited the system?

**Lord Murray of Blidworth (Con):** I reassure the noble and right reverend Lord that, since 1 July 2022, 87 sponsor licences have been revoked and 32 suspended pending further investigation.

**Lord Sahota (Lab):** My Lords, is the Minister aware that these care workers—not all of them, but some—who come to the UK to look after our elderly are sometimes charged thousands of pounds by recruiting companies and care companies. It has sometimes been as much as £20,000, yet it is illegal for the workers to pay more than £260 for the costs of their visas and travelling. Sometimes—not always—when they arrive in the UK, the company that hired them will fire them after a few months so that it can bring in another worker and charge them £20,000. My information is based on talking to some of these care workers. They do not want to give their names, or the names of their companies, because their immigration status is rather precarious. Are the Government aware of this money-making scam?

**Lord Murray of Blidworth (Con):** The Home Office is aware that abuses exist. I reassure the noble Lord that the sponsor licence system places clear and binding requirements and obligations on employers looking to recruit. The Department of Health and Social Care has published guidance on applying for jobs from abroad, as part of a wider effort to address its concerns about exploitive recruitment and employment practices. That guidance helps prospective overseas candidates to make informed decisions when seeking health or social care jobs in the United Kingdom, including information on how to avoid exploitation and where to report concerns.

**Lord Ponsonby of Shulbrede (Lab):** My Lords, the Minister has acknowledged that abuses exist in this sector. In a previous answer, he seemed sympathetic to a social care workforce plan and to agree that there should be some sort of fair pay agreement. What is his ministry doing to implement these things? Is he consulting his colleagues in the health and social care sectors to bring the workforce plan into being?

**Lord Murray of Blidworth (Con):** There is no workforce plan in process. As I say, the communication between the Home Office and the Department of Health and Social Care and other relevant government departments is a close one. The function that the Home Office can perform is to set the minimum floor for the sum that these workers must be paid, which, as I said earlier, is £20,960, reflecting an hourly salary of more than the living wage. That is an important mechanism to achieve the objective that the noble Lord outlined.

**Lord Wallace of Saltaire (LD):** My Lords, I read in the financial pages of the profits that chains of privately owned care homes are making. I also note that some of them have their headquarters outside the United Kingdom for tax and other purposes. Is it a failure of

regulation that these companies are extremely profitable with a substantial chunk of those profits coming from subsidies from the state or local government? Do the Government think they should tighten regulations to make sure that conditions for such workers are adequate?

**Lord Murray of Blidworth (Con):** It is not for the Home Office to regulate the profits made by private companies, and the noble Lord would not expect me to comment on that. I reassure him that the Department of Health and Social Care is sighted on what the appropriate standards should be for those working in the sector, and it works with the Home Office on the grant of sponsor licences for those coming to work in the sector.

**Lord Kamall (Con):** Attracting social care staff to the social care sector, whether from the United Kingdom or from abroad, is important. Where there are cases of exploitation what advice can the Minister give to those individuals—especially those who come from other countries and may not know the system very well—about where they can turn if they feel they are being exploited?

**Lord Murray of Blidworth (Con):** Information is certainly available on the GOV.UK website, which is signposted from the health and social care visa pages. There are also NGO bodies, including Care England and the gangmasters licensing authority, and, as the noble Baroness, Lady O’Grady, said, trade unions.

**Baroness Bennett of Manor Castle (GP):** The Minister has used the term “abuses” a number of times. The Gangmasters and Labour Abuse Authority, to which he has just referred, says that the health and care worker visa system is being abused by criminals, leading to a “constant stream of allegations” of fraud and modern slavery—a rather stronger term. Following on from the question about the involvement of the private sector in this, I ask: what value are all these Wild West private sector firms that are popping up adding to the system? Would it be better to do this not in a privatised way but, if we need to recruit care workers from overseas, to do so through a national workforce plan and not-for-profit agencies?

**Lord Murray of Blidworth (Con):** The noble Baroness will be unsurprised to learn that I do not agree that the state is the answer in the provision of health and social care in the way that she suggests. It is entirely appropriate that private companies can recruit in the way that they presently do, that abuses are stamped out and that the Home Office uses its enforcement powers in the way that it does and will continue to do.

## Near-earth Satellites *Question*

3.09 pm

*Asked by Viscount Stansgate*

To ask His Majesty’s Government what steps they are taking to work with international partners to regulate the use of commercial near-earth satellites to combat any adverse effects on astronomy.



**Viscount Stansgate (Lab):** My Lords, I beg leave to ask the Question standing in my name on the Order Paper, especially as the House may not appreciate the potential risks to astronomy from a new generation of near-earth satellites.

**Lord Evans of Rainow (Con):** My Lords, before I start, I bring the House's attention to my registered interests. With the number of satellites in orbit growing rapidly, the UK recognises the need for trade-offs between the requirements of the astronomical community and those of the satellite operators. The UK has advocated strongly on dark and quiet skies as part of our leadership on sustainable space activities. We continue to support efforts to identify mitigation measures at international forums as we deliver the goals of the *National Space Strategy*.

**Viscount Stansgate (Lab):** My Lords, I thank the Minister for that Answer. Would he agree that, with satellites now designed to transmit signals to earth across the whole of the earth, the previous protection for radio astronomy has been diminished? Would he therefore agree to give a commitment on behalf of the Government to seek to protect astronomy facilities both in the UK and around the world, perhaps in line with the protection afforded to the Effelsberg observatory in Germany? Finally, given the Government's significant stake in OneWeb, will the Minister try to ensure that, in the next generation of satellites, measures are introduced, along the lines of the International Astronomical Union, to protect our astronomy facilities to the greatest extent possible?

**Lord Evans of Rainow (Con):** I am most grateful to the noble Viscount for bringing up this very important subject. The UK will always consider how it can best work internationally with partners to enable science and technology, including radio astronomy. The UK is working with the international community to understand the requirements for the protection of our skies for both astronomers and the indigenous populations. We are also scoping the range of potential technological and policy solutions available to accommodate those requirements as fully as possible. The IAU proposals are a valuable addition to our work in understanding the space standards we should consider for sustainable space operations. We are working closely with international colleagues and the UK space sector to develop standards fit for the future space operating environment. Great Britain is leading the world in this sector.

**Lord Cromwell (CB):** My Lords, is the Minister aware of the Kessler effect, whereby items circulating above this planet are either hitting or being hit by other objects, creating more debris that then goes on to hit other things and so on ad infinitum? Secondly, is he aware that, of the satellites circling above our heads right now, 85% do not carry insurance? Does he consider these two factors satisfactory and, if not, what should be done about this?

**Lord Evans of Rainow (Con):** The noble Lord asks two good questions. On his first, a recent summit pointed to Europe making a commercial step change, launching and celebrating the zero debris treaty and ESA's commitment to deliver a cargo return mission

to the international space station. The main output from the ESA council, at ministerial level, was the approval of ESA's director-general's resolution on lifting Europe's ambitions for a green and sustainable future, and access to space and space exploration. On the question about insurance, I am not familiar with that, so I will write to the noble Lord.

**Lord Clement-Jones (LD):** My Lords, these satellites are now set to fill space at a rate of over 1,000 a year until 2030. In the Government's *National Space Strategy in Action* paper of July this year, the Minister, George Freeman, said:

"The UK will lead the pack on regulatory standards, promoting competition whilst ending the wild west nature of space today".

How will the Government do that? How will they, for instance, get their space sustainability standard adopted internationally?

**Lord Evans of Rainow (Con):** As I said just a moment ago, we are world leaders in this. My honourable friend Minister George Freeman announced the first ever UK plan for space sustainability—an ambitious package showing UK leadership and commitment on this issue. The Minister also chairs the space sustainability round table, bringing together key members from industry, finance, insurance and academia to focus on the key issues of space sustainability. I assure the noble Lord that Great Britain is leading this way on this with our European and international partners.

**Baroness Eaton (Con):** My Lords, I welcome the merger, but can my noble friend the Minister tell the House what influence the French Government will have as a result of it?

**Lord Evans of Rainow (Con):** My Lords, France holds a 13.58% in the Eutelsat group through the Public Investment Bank, or BPI, and its sovereign wealth fund. His Majesty's Government now have a 10.8% share in the Eutelsat group and retain their existing special rights and vetoes via a special share in OneWeb. His Majesty's Government can appoint one director to the board of the Eutelsat group and one director to OneWeb's board, so Great Britain is in control of the merger and OneWeb's role in it.

**Lord Winston (Lab):** My Lords, my noble friend raises a very important point, but is not it also true that one of the greatest problems facing astronomy is light pollution, as has been recorded recently by the Science and Technology Committee? Is not that a real issue for understanding astronomy better? Hundreds of thousands of schoolchildren in many parts of the world that are overpopulated are unable to observe what is going on in the night sky, which is a serious disadvantage to our better understanding of satellites and astronomy, and giving attention to this problem.

**Lord Evans of Rainow (Con):** The noble Lord is exactly right. It is a case of the urban and the countryside. If you live in the city, it is often very difficult, due to light pollution. I am fortunate enough to live in the Peak District, where we have no light pollution and we can see the stars. I am not sure that I have an answer to the noble Lord's questions. When designing our modern



cities, they could reduce the number of lights that are left on. When noble Lords go home this evening, they will see an awful lot of light pollution in the vicinity. As the noble Lord points out, planning for the future is the key, so that our cities do not produce so much light and young people can enjoy the delights of space.

**Lord Birt (CB):** My Lords, I declare an interest as a one-time vice-chairman of Eutelsat. What was the historic rationale for the UK Government to invest in the soon-to-be-bankrupt OneWeb, and what is the rationale now for the UK to hold an investment in Eutelsat OneWeb?

**Lord Evans of Rainow (Con):** The noble Lord asks a very good question. I was not privy to the original decision-making, as he may well appreciate, but I think that it was a decision well made, because Great Britain needs to be kept within this relatively new sector, and that was the motivation for the investment of taxpayers' money originally. The reason for keeping that stake, as it is for the French Government, is to make sure that we can have some influence, and that any inward investment that comes into future satellites comes into the United Kingdom, bringing well-paid jobs and investment into the UK.

**Lord Foulkes of Cumnock (Lab Co-op):** My Lords, the Minister earlier cited very favourably the work that Mr Freeman, the Science Minister, is doing on this issue, and how important he is to the work. What are the implications of the fact that he has just been sacked?

**Lord Evans of Rainow (Con):** The noble Lord never lets us down, does he? My understanding, in answer to the question, is that he resigned and was not sacked—but I was hoping that the noble Lord would ask about future investment in Scotland.

**Lord Lansley (Con):** My Lords, my noble friend will be aware that from 1 January we are rejoining the Copernicus Programme. The Sentinel system for Copernicus of near-earth orbiting satellites provides us with absolutely vital data, not least in relation to climate change. How might the British space industry, as a world leader, benefit from our rejoining Copernicus in the next three years?

**Lord Evans of Rainow (Con):** That is a very specific question about rejoining that organisation, and I do not have an answer to it for my noble friend, but I shall certainly write on that specific point.

**Baroness Jones of Whitchurch (Lab):** My Lords, there are already an estimated 36,000 near-earth space objects circulating around our planet, and the prospect of many thousands more commercial satellites being launched in the coming decade. Given the prospect of serious collisions, what are the Government doing to create an agreement on cleaning up space junk—for example, by bringing down satellites when they have finished the end of their mission, and so on? Is this an issue on which the Government should take a role as global leaders, to make sure that we are leading the way rather than following in the footsteps of other countries?

**Lord Evans of Rainow (Con):** The noble Baroness raises a very good point. The UK collaborates internationally to develop standards, regulations, norms of behaviour, agreements and best practice to influence and define the in-orbit regime of the future. That includes exactly what the noble Baroness is pointing to around how we remove satellites and other space junk when they come to the end of their active life. There are technologies out there, such as, for want of a better word, a giant magnet that grabs hold of it and puts it somewhere. Some of these satellites contain valuable metals, so it is in the long-term interest to remove them. Technologies are happening, and I am assured by the department that it is something that Great Britain is leading on.

## Policing of Marches and Demonstrations

### *Private Notice Question*

3.20 pm

*Asked by Baroness Deech*

To ask His Majesty's Government what assessment they have made of the policing of recent marches and demonstrations.

**The Parliamentary Under-Secretary of State, Home Office (Lord Sharpe of Epsom) (Con):** My Lords, the police are operationally independent: it is their decision how they choose to police a protest and they are accountable for that. The Metropolitan Police used a range of powers to minimise disruption and disorder. On Saturday police made 145 arrests, most of which were linked to the counterdemonstration; however, the police continue to investigate other offences. The police have the Government's full backing to use all the powers at their disposal to ensure that the perpetrators face the full force of the law. As is right, the Government will continue to hold the police to account. I think it is also right to acknowledge that Remembrance Weekend events passed without disruption.

**Baroness Deech (CB):** My Lords, freedom to speak and to march and police discretion are all pillars of our constitution, but I have never before in my lifetime seen mobs marching through the streets alongside some who call for violent jihad and the death of Jews and waving swastika signs. Once the Saturday march was under way, why were the police posing with a child dressed as a terrorist while protesters rampaged threateningly outside a synagogue? Many of us call on the police to apply the law to those who are guilty of offences under Section 5 of the Public Order Act aggravated by religious and racial hatred, public nuisance and glorifying terrorism. It is a worldwide problem. Anti-Semitism is on parade. Jews cannot fix it on their own; we need people with us. Does the Minister agree that we need a cry of solidarity?

**Lord Sharpe of Epsom (Con):** I wholeheartedly agree, and I was very emphatic on that point at the Dispatch Box last week. We saw vile examples of anti-Semitism by a minority at the pro-Palestine march. The fears that our Jewish community has experienced

[LORD SHARPE OF EPSOM]

over the weekend and the days leading up to it are shocking and disgusting, as I said last week. There is no place for hate on Britain's streets, and the police have confirmed that investigations are ongoing.

**Baroness Uddin (Non-Afl):** My Lords, as someone who marched with hundreds of thousands of very peaceful protesters last Saturday, I witnessed not one single incitement to hatred of anyone. It was a march for peace until the EDL came on to the scene, and we all saw what happened. Will the Minister assure all those who marched for peace that they will not be chequered by the way they are being depicted as jihadis? The simple fact is that they were not.

**Lord Sharpe of Epsom (Con):** My Lords, a quick surf of the internet this morning would suggest that the noble Baroness is wrong. I suggest that trying to conflate the activities of the violent thugs who tried to invade the Cenotaph and those of the marchers, some of whom were indeed peaceful, is also wrong. The fact is that 15 officers were injured at the Cenotaph, two of whom required hospital treatment, and my best wishes go to those officers. I think the police behaved entirely appropriately in dealing with the violence, and I seriously hope that they also deal with those marchers who were doing precisely the things that the noble Baroness has alleged they were not.

**Earl Russell (LD):** My Lords, in light of the unplanned departure of the previous Home Secretary and the extraordinary and deeply concerning violent events witnessed on the streets of London this weekend, can the Minister confirm whether the new Home Secretary will use more restrained language, to ease tensions on our streets, and refrain from interfering in the operational independence of the Metropolitan Police?

**Lord Sharpe of Epsom (Con):** On the second part of the question, the previous Home Secretary did not interfere with the operational independence of the Metropolitan Police. On the first part, I have not yet spoken to the new Home Secretary, but I wish him very well in his new role.

**Lord Walney (CB):** My noble friend is right that there has been an explosion of anti-Semitism in the capital and across the UK since 7 October. These marches are at the very least a factor in aggravating that. If the police, in exercising their judgment, feel that there is not sufficient trigger at the moment to say that there is a threat of serious public disorder, which is the current bar, is there not a case for re-examining the bar for asking for these marches to be banned, so that the cumulative effect on many members of the Jewish community can properly be taken into account?

**Lord Sharpe of Epsom (Con):** The noble Lord makes a very good point. The Home Secretary has reserve powers and some legislative tools that enable intervention and direction, but those powers may be used only in line with statutory tests and public law principles and in very exceptional circumstances. The Metropolitan Police has not asked for that sort of intervention. He is quite right that the Government have been in regular contact with the police over the use of their powers to

manage protests. Where we identify gaps in the legislation, we will seek to address them. As was widely reported this morning, that is still under review.

**The Lord Bishop of St Albans:** My Lords, any violence and threat is to be deplored, wherever it comes from. I congratulate the police, who did a superb job in very difficult circumstances. Of course there will be groups of people pushing the boundaries and acting unacceptably. The danger of the media is that it gives the impression that the only game in town is the marches and demos, but many on these Benches and other Members of this House have been meeting leading Israelis and Palestinians in our local communities and finding that there are people desperately trying to reach out to others and thinking about how we can take this forward. What are His Majesty's Government doing at the moment to mobilise some of our leading Israelis and Palestinians to try to enable talks about how we might find a more positive narrative as we go forward?

**Lord Sharpe of Epsom (Con):** The right reverend Prelate makes an extremely good point. I commend his activities and those of his colleagues and other faith leaders in trying to find civilised solutions to this problem. I am afraid I do not know what His Majesty's Government are doing to try to encourage the sort of interactions he mentioned, but it deserves to be mentioned, on proportionality, that the organisers of the pro-Palestinian marches have a responsibility. Peter Tatchell, whom many in the House will know, was blocked from marching with the pro-Palestinians for carrying a sign that said:

"End Israel's occupation! End Hamas's sexist, homophobic, anti-human rights dictatorship!"

That is pretty disgraceful. Everybody needs to exercise proportionality in this.

**Lord Paddick (Non-Afl):** My Lords, I declare an interest as set out in the register. Anti-Semitism is unacceptable in any setting, but does the Minister agree that arresting people in the middle of a mass protest can result in serious disorder and injury to police officers, as can the police attempting to prevent people who are determined to protest from doing so, as we saw with the right-wing demonstrators on Saturday?

**Lord Sharpe of Epsom (Con):** My Lords, on this I am very happy to defer to the noble Lord's extensive experience of policing protests of this type. It is self-evident that if you wade into a crowd, there is a chance that you will inflame tensions. The police are operationally independent and I will not judge what they did, but their approach makes some sense to me in that context.

**Lord Coaker (Lab):** My Lords, as the right reverend Prelate did, I thank the Metropolitan Police and all the officers who were on the streets of London ensuring that Armistice Day events were not disrupted, facing disgraceful far-right violence and assaults while working to pursue appalling, vile anti-Semitism—as the noble Baroness, Lady Deech, pointed out to us—and other hate crimes. Does the Minister agree that it would have been helpful in the run-up to these events to have had a Home Secretary who calmed tensions rather

than using language that inflamed some of the protests and policing that we saw? Above all, despite the Minister's points to this House, will the new Home Secretary ensure that never again do we have a situation in which a Home Secretary of this country seems to question the operational independence of the police? Is it not one of the fundamental parts of our democracy that the police can police without fear or favour?

**Lord Sharpe of Epsom (Con):** I agree with the noble Lord. It is, as he knows, governed by a pretty rigorous protocol. I went into the details of that protocol last week, and I can do it again if anybody wants to hear it—I suspect they do not.

The previous Home Secretary is no longer in post, so debating what she did or did not say seems moot. As regards the new Home Secretary, I have not spoken to him and I do not know what he is thinking.

**Lord Austin of Dudley (Non-Afl):** My Lords, it is no surprise that we are seeing Nazi-level propaganda and incitement of terrorism on the streets of London when some of the organisations behind these marches have had connections with a Hamas leader who lives in the UK. What is being done to investigate the links between those organisations and proscribed terrorist groups?

**Lord Sharpe of Epsom (Con):** I cannot answer that question, but I certainly hope the police are investigating.

**Lord Cormack (Con):** My Lords, I revert to the point made by the right reverend Prelate the Bishop of St Albans. It would be a marvellous beginning for the new Home Secretary if he were to call in leaders of the Jewish community—who have the admiration and respect of us all—together with those responsible Palestinians who have a legitimate cause for concern at the destruction and deaths in Gaza. If he were to do that, using moderate language—which I am sure he would—it would help to ease tension and to bring together people who have a common cause.

**Lord Sharpe of Epsom (Con):** I am happy to reflect my noble friend's opinion to the new Home Secretary when I speak to him.

**Lord Hain (Lab):** My Lords, I agree with the noble Baroness, Lady Deech, that the examples she gave are completely unacceptable and should be met with a firm response. The degree of anti-Semitism in the country at the moment is deeply shocking, as is the degree of racism and Islamophobia. That is something we should commonly confront, but I urge the Government to be very careful about curbing protests and the right to march through London. In 1936, when anti-fascists confronted Mosley's mob swaggering through Jewish communities, many of the actions of those anti-fascists could have been regarded as disorderly, but they stopped them and they stopped that wave of anti-Semitism. Similarly, many of the actions I helped organise through the Anti-Nazi League in the late 1970s saved local Jewish communities and black communities from assault. Be very careful about curbing the right to march peacefully.

**Lord Sharpe of Epsom (Con):** I entirely agree with the noble Lord.

**Lord Wallace of Saltaire (LD):** My Lords, we are told that two of those arrested in Paris for painting anti-Semitic slogans on French synagogues have said to the police that they were acting under orders from Russian sources. Are the Government looking to see whether there is any element of foreign interference in some of these protests? It is in the Russian interest to stir up disorder in this country, and this is a very easy way to do it.

**Lord Sharpe of Epsom (Con):** My Lords, I have absolutely no idea.

**Baroness Hoey (Non-Afl):** One of the saddest pictures we saw over the weekend was of the two poppy sellers—an elderly couple in Victoria station—having to be gradually moved and shifted because of large numbers of loud and very angry protesters around them. What annoyed me, and I think vast numbers of members of the public, was that the police standing there did nothing to help those poppy sellers. They seemed to be more interested in supporting and helping the demonstrators. Did the Metropolitan Police Commissioner give an outright order to rank and file police that they had to go very easy with protesters but stamp down on anything else that seemed to be out of order?

**Lord Sharpe of Epsom (Con):** My Lords, I do not know what direct orders the Metropolitan Police Commissioner gave. As I said earlier, the response to the Cenotaph, where violence was being deployed, was swift and appropriate—not that it is my call to judge the police's actions; that is for the courts. I do not know whether he gave those sorts of orders. I was at Victoria station by chance on Saturday afternoon, and I have never felt more uncomfortable in this country because of the tension. It was palpable in the air. It was disgraceful.

**Lord Mann (Non-Afl):** My Lords, I have visited Jewish communities across the United Kingdom over the last few weeks. Everywhere the message is the same: Jewish people and Jewish families are scared. Does the Minister agree with me that the increased police presence we have seen in Jewish communities, be it in Leeds, Manchester, London or elsewhere, has been essential in ensuring that people have been kept safe? Can we be certain that this increased presence will continue for as long as it is needed?

**Lord Sharpe of Epsom (Con):** I certainly hope so. Police forces up and down the country have stepped up their neighbourhood patrols to support local Jewish and Muslim communities, including visiting schools, synagogues and mosques. We have seen a rise in the anti-Semitism that the noble Lord describes; that is appalling. I certainly hope that the police's response will stay in place for as long as it is needed.

**Lord Harris of Haringey (Lab):** My Lords, I refer to my policing interests in the register. There were clearly images of people on those marches over the weekend doing appalling things. I hope the Metropolitan Police and other police forces are using those images to track down the individuals concerned and then to take action against them. No doubt the Minister will be



[LORD HARRIS OF HARINGEY]  
able to confirm that this is the case. Can he also draw attention to the huge march against anti-Semitism that took place in Paris? Does he think it would be appropriate if something similar happened in this country?

**Lord Sharpe of Epsom (Con):** The police have said that they are investigating those images so, yes, I think I can confirm to the noble Lord that this is happening. I would certainly like to see a march against anti-Semitism, and I would join it.

### **King's Speech** *Debate (4th Day)*

3.37 pm

*Moved on Tuesday 7 November by Lord McInnes of Kilwinning*

That an humble Address be presented to His Majesty as follows:

“Most Gracious Sovereign—We, Your Majesty’s most dutiful and loyal subjects, the Lords Spiritual and Temporal in Parliament assembled, beg leave to thank Your Majesty for the most gracious Speech which Your Majesty has addressed to both Houses of Parliament”.

**The Parliamentary Under-Secretary of State, Department for Energy Security and Net Zero (Lord Callanan) (Con):** My Lords, on behalf of your Lordships’ House, I thank the King for delivering the gracious Speech. I am grateful for the privilege of opening today’s debate on the Motion for an humble Address.

Today, I shall outline the Government’s plans to grow the economy, to secure our energy supply for the long term, to deliver a world-class transport network for the whole of the UK, and to protect our environment. My noble friend Lady Penn will close what I am sure will be yet another spirited debate, with many important contributions from all parts of the House. My right honourable friend the Chancellor of the Exchequer will present the Autumn Statement to Parliament on 22 November. Your Lordships will be unsurprised to know that I will not pre-empt any of his announcements or the OBR’s forecast but will focus on the Government’s recent record on the economy.

Despite enormous global challenges, the UK is proving the doubters wrong. The Government have made difficult long-term decisions to restore stability and grow the economy. The best tax cut for the UK public is indeed a cut in inflation. Inflation has already fallen to 6.7% since peaking at 11.1%, and most major forecasters agree that we are on track to meet our goal of halving inflation by the end of the year, before returning it to 2% by 2025. This will enable us to create better-paid jobs and opportunities across the whole of our United Kingdom, guaranteeing a better future for the next generation.

To deliver that growth, we are creating the right environment for businesses to invest and expand. We have announced a £27 billion tax cut for business, and

the UK now has the lowest corporation tax rate in the G7, as well as one of the most generous capital allowance regimes in the whole of the OECD. Our labour market reforms will also add 110,000 people to the workforce, and our extended 30 hours free childcare reforms will help to support even more people into the workplace.

At the same time, we remain on track to reduce the national debt. The independent OBR confirmed in March that debt will be falling by the end of the forecast. Reducing debt provides the essential foundations for sustainable growth, as it reduces spending on debt interest that could otherwise support essential public services. It also allows the Government space to respond to future shocks and reduces the financial pressure passed on to our children and grandchildren.

We recognise the immense challenges that British people have been facing with the cost of living. Putin’s war in Ukraine caused global economic disruption and unleashed huge energy price increases, leading to pressures on living standards. We have taken significant action over the past year to give struggling families the support they desperately need. We stepped in last winter to protect communities and businesses, spending £40 billion to help pay half the average household energy bill. Although energy prices have been steadily coming down since, we are continuing to offer support, with a £900 cost of living payment going to those on means-tested benefits. Taken together, our support to households to help with higher bills is worth £94 billion, or £3,300 per household on average, across 2022-23 and 2023-24—one of the largest household support packages in the whole of Europe.

We cannot thrive as a country without affordable, reliable and abundant energy. As we steadily transition to a net-zero economy, this Government recognise the huge role that home-produced renewables and nuclear power will play, alongside North Sea oil and gas. Our commitment to investing in the UK’s energy infrastructure will help to unlock private investment, scaling up green jobs and growth across the country.

The Offshore Petroleum Licensing Bill will make the UK more energy independent by increasing investor and industry confidence with regular oil and gas licensing. The Bill’s emissions tests will ensure that future licensing supports our transition to net zero. It will enhance the UK’s energy security and reduce dependence on imports with higher emissions intensity. It will protect our domestic oil and gas industry, which supports more than 200,000 jobs, as we grow the UK economy and realise our net-zero target in a proportionate and realistic way.

This country has led the world on tackling carbon emissions, and we will continue to do so. Of all the major economies, we have set the deepest cuts in emissions for 2030, and we have so far exceeded all our targets, including cutting our emissions by almost half over the past 30 years and boosting our share of renewables from 7% in 2010 to over 40% today. To realise our ambitions, we have to take a pragmatic approach, taking consumers and industry with us; we cannot impose unaffordable, extra costs on households, particularly when millions of families are struggling with the cost of living.



By that same token, we are working with Ofgem and suppliers to reform markets so that they work for consumers more effectively and are fit for the future. I outlined a few moments ago the immediate support being offered directly to households by the Government, but we also want to ensure that customers get the service they deserve and that vulnerable customers are prioritised and protected.

We also want a fair approach to decarbonising how we heat our homes. We are already investing £12 billion in energy efficiency and clean heat this Parliament, and we have seen the share of homes in the highest energy efficiency bands rise from 14% in 2010 to around 50% today. We recognise that we need to support people to make these changes, so, in addition to financial support, we are giving people more time and support to make the necessary changes in their own homes.

Our energy transition plans have enormous potential to deliver economic prosperity across the country, as well as the security that comes from being able to power Britain from Britain. Green investment is a top priority, and we are doubling down on sectors with the greatest opportunities, such as carbon capture and storage, offshore wind, and solar and fusion energy.

Britain's nuclear revival is well under way too, with Hinkley Point C and Sizewell C set to power 12 million homes. We have launched Great British Nuclear to deliver our pipeline of resilient projects, while accelerating the development of small modular reactors.

However, despite the billions being invested in new energy projects, we do not yet have the grid infrastructure to bring that energy to households and businesses. So we are building new transmission infrastructure and speeding up connections to the grid. We will set out the UK's first ever spatial plan for infrastructure to give industry more certainty, and we will fast-track plans for the most nationally significant projects.

I move on to transport. Responsible government is about making the tough, long-term decisions to secure a brighter future. It is why we have scaled back our plans for HS2—a project that saw its costs double, its business case weaken and its completion date repeatedly delayed. Rather than focus on a rail line between Birmingham and Manchester, we are prioritising the millions of everyday journeys that matter most to the British public.

By stopping HS2 in the West Midlands, we will reinvest every penny of the £36 billion saved into better bus services, faster regional train links, new road schemes and pothole-free streets. Network North will see more places and more people benefit more quickly, thanks to the choices that we have made.

Now, with work already under way, we will complete HS2 between Euston and Birmingham. It remains a ground-breaking infrastructure project—indeed, one of the biggest in the country. Talks are already under way on the huge regeneration opportunity at Euston, which could potentially see 10,000 homes built.

While the packed parliamentary timetable has prevented us from introducing legislation in this Session, we will bring forward the rail reform Bill for pre-legislative

scrutiny, alongside the benefits that we are already delivering in areas such as ticketing, private sector innovation and better contracts for operators.

Moving away from rail, the Government have been clear that the war on motorists must end. For many, cars are a lifeline, not a luxury. Yet, across the country, drivers face overzealous enforcement measures and a variety of restrictions which clearly do not have public support. In our capital, thanks to the newly expanded ULEZ scheme, hard-working families must now decide to either pay up or sell up. The Government are on the side of motorists, and the 30 measures in our *Plan for Drivers* will ensure that people can travel where, when and how they wish.

Looking to the future, we remain committed to seeing more zero-emission vehicles on Britain's roads. However, that transition should be proportionate and, wherever possible, we should ease the burden on working families. That is why we have extended the period in which you can buy new petrol and diesel cars by five years, ensuring more time for zero-emission vehicle prices to fall and the used market to grow. However, our overall ambition remains the same. We will ban the sale of new polluting vehicles by 2035 and, to give manufacturers certainty, our zero-emission vehicle mandate, which kicks in from next year, will set minimum targets for clean car production.

Automated vehicles will also be part of our future. We want to position Britain as the global leader of a sector that could be worth up to £42 billion by 2035, with 38,000 jobs at stake. So, in this parliamentary Session, we will bring forward the Automated Vehicles Bill, enabling the safe deployment of self-driving vehicles.

We will also—I know this will have particular support in this House—bring London's pedicabs under the letter of the law. The Pedicabs (London) Bill will give Transport for London powers to regulate the city's pedicab industry, reassuring passengers and road users that those vehicles and operators are properly licensed and accountable.

I move on to discuss the environment. The Government are committed to leaving the environment in a better state than we found it. On 31 January 2023, Defra published a revised *Environmental Improvement Plan*. This sets out how we will deliver our long-term Environment Act targets, matched with interim targets to measure progress over the shorter term.

With respect to air quality, in addition to our existing emissions and concentrations targets we have set two new targets for fine particulate matter, the pollutant most damaging to human health, under the Environment Act 2021. We are also enhancing protected landscape management plans through the Levelling-up and Regeneration Act and are placing a stronger requirement on partners to contribute to their delivery.

On green finance, we published a cross-government green finance strategy and a nature markets framework in March 2023, setting out the action we are taking to support a transition to a net-zero, climate-resilient, nature-positive economy. On climate change, Defra published the *Third National Adaptation Programme* in July this year. This sets out a programme of action for the next five years to respond to a range of climate risks facing the United Kingdom.

[LORD CALLANAN]

I am also delighted that we are introducing the animal welfare (livestock exports) Bill to Parliament. Animal welfare is a priority for the Government, and we have some of the highest standards in the world. Thanks to our actions, the UK is building on our reputation as a world leader on animal welfare: we are joint top of World Animal Protection's animal protection index.

Since the publication of *Our Action Plan for Animal Welfare* in 2021, we have delivered on a range of key manifesto commitments. We have increased the penalties for those convicted of animal cruelty, passed the Animal Welfare (Sentience) Act 2022 and launched the Animal Sentience Committee. We have made cat microchipping compulsory and have announced the extension of the Ivory Act 2018 to cover five endangered species: hippopotamus, narwhal, killer whale, sperm whale and walrus.

Now that we have left the European Union, we can fulfil our manifesto commitment to end excessively long journeys for slaughter and fattening. The animal welfare (livestock exports) Bill will ban the export from Great Britain of cattle, sheep, goats, pigs and horses for slaughter and fattening, stopping the unnecessary stress, exhaustion and injury caused by the export of live animals.

This Government have extensive and comprehensive plans to deliver a strong economy, a secure energy supply, a state-of-the-art transport sector and a safeguarded environment, laying the foundations for a more secure, resilient and prosperous country.

3.51 pm

**Lord Livermore (Lab):** My Lords, the King's Speech promised to "strengthen our economy" and

"put the country on a better path".

Such measures would indeed be welcome. The country is ready for change. Britain desperately needs national renewal, with a serious plan for growth. Yet, in reality, the King's Speech delivered nothing of the kind. Just as with today's reshuffle, it merely brought back more of the same.

Just as today's reshuffle has seen the return of a man the Prime Minister himself described as part of a "record of failure", the King's Speech saw a continuation of a failed approach that has led to 13 years of national decline; no change from an economic model that has failed over 13 years to give working people the security and opportunity they deserve; 13 years of failure that began with the Cameron-era austerity that missed all its targets, then gave us a Brexit that broke all its promises—followed, inevitably, by a mini-Budget that gambled with people's livelihoods, undermined our financial institutions, sent government bonds plunging and pushed the pension market to the brink of collapse; 13 years of chaos and instability that have left Britain weaker, and working people paying the price.

The Resolution Foundation has calculated that never in living memory have Britain's families got so much poorer over the course of one Parliament, with typical working-age household incomes set to be 4% lower in 2024 than at the start of this Parliament in 2019.

Many of those families are home owners, who worked hard, saved for a deposit and have taken pride in having somewhere to call their own. But the security that that should bring, has, for many, turned to dread, as they receive letters from their lender telling them their bills are going up by hundreds of pounds a month. Interest rates have now risen 14 times to a 15-year high of 5.25%, while the average two-year fixed-rate mortgage rose from 2.6% to 6%. As a result, average mortgage holders have paid £2,900 more this year—8.3% of their disposable income. Some 1.4 million people will lose a staggering 20% of their disposable income.

The Government may well this week meet their own self-imposed target to halve inflation from the levels they allowed it to rise to. But, as for the actual inflation target, the Bank of England now expects inflation to stay above target throughout next year, with interest rates remaining at their current levels for—I quote—"an extended period".

We have falling incomes, persistently high inflation, higher food and energy bills, rising mortgages and, if that were not bad enough, the highest tax burden for 70 years. There have been 25 tax rises since this Government came to power in 2010. Taxes are now £120 billion higher every year, equivalent to £4,000 more in tax every year for every household. Why is tax so high? Because growth is so low. UK GDP is still 5.2% short of its pre-pandemic trend, a far worse performance than either the United States or the euro area. At the start of this year, the Prime Minister promised to get the economy growing again, but we are now going backwards—from low growth to no growth. The latest GDP figures show that there was no growth at all in the third quarter of this year. The Bank of England's latest forecast now shows no growth at all in any of the next three years—no growth this year, next year or in 2025. As a result, growth next year is now set to be the lowest in the entire G7.

After 13 years, the Government's economic approach simply is not working, but where is their plan to fix it? So much of this King's Speech is either insubstantial or trivial, when what we needed was a credible plan for growth. We needed a modern industrial strategy to show that we are serious about securing the jobs of the future. We needed an employment Bill, time and again promised but which once again failed to materialise. We needed a planning Bill to cut red tape and get Britain building. We needed a Bill to give British business the skilled workforce to succeed. What we got was a transport agenda 85% of whose projects were re-announcements, and an oil and gas Bill that everyone in the energy sector knows is a political gimmick. Despite Britain being the worst-hit country in western Europe during the energy crisis, even the Energy Secretary admits that the Bill will not take a single penny off anyone's energy bills.

Increasing growth is clearly the biggest economic challenge our country faces. In government, and in our first King's Speech, Labour's defining economic mission will be to restore growth to Britain, with good jobs and productivity growth in every part of our country. Our plan to deliver that mission is built on three pillars. First, we will rebuild our economy on the

rock of stability and fiscal responsibility, so that we can withstand shocks in an insecure world and families and businesses have the certainty to plan ahead. That means we need strong, robust and respected economic institutions. The last Labour Government gave operational independence to the Bank of England, and we will protect that independence. The next Labour Government will strengthen the Office for Budget Responsibility. We will guarantee in law that any Government making significant, permanent tax and spending changes will be subject to an independent forecast by the OBR, and we will provide greater certainty by committing to holding a single annual Budget by the end of each November, giving businesses and families four months to plan for the new tax year.

Together, these changes will be put to Parliament as a new charter of Budget responsibility, introducing a new fiscal lock on Britain's economic institutions, strengthening our stability and our security. We will also introduce new fiscal rules. We will not borrow to fund day-to-day spending and we will reduce national debt as a share of GDP. Again, these rules will be put to Parliament to agree. With a Labour Government, fiscal responsibility will be embedded in the Budget process. Never again will a Prime Minister or Chancellor be allowed to repeat the mistakes of the Liz Truss Budget. Never again can we allow a repeat of the devastation that Budget brought to family finances, or allow a plan to be pushed through that is uncoded, unscrutinised and wholly detached from economic reality.

The second pillar of our plan for growth is to unlock billions of pounds of private sector investment into British industries. Investment is the lifeblood of a growing economy. It is investment that allows businesses to expand, create jobs and compete internationally so that new plants, factories and research can come to Britain. Yet today, business investment in the UK is at rock bottom. Among 30 OECD countries, Britain is currently 27th for private sector investment as a share of GDP. In government, we will seek to restore investment, as a share of the economy, to its level under the last Labour Government, bringing us back in line with our international peers.

The Government simply stepping back, looking only to business, is not the route to success. As our competitors understand, there is a role for the Government in energising and derisking investment into new and growing industries, so we will provide catalytic investment through a new national wealth fund to unlock billions of pounds more in private sector investment, delivering new gigafactories, clean steel plants and renewable-ready ports across Britain.

This new wealth fund will be set a target so that, for every pound of investment the Government put in, we will leverage in three times as much investment from the private sector. To further spur investment, a Labour King's Speech will get Britain building the homes and infrastructure of the future, with a reformed planning system to remove the barriers to investing in new industries. We will introduce a modern industrial strategy to accelerate the building of critical infrastructure in energy, roads, rail and housing, and our energy independence Bill will create "GB Energy", harnessing

homegrown renewable power, so that we can cut energy bills, create jobs, tackle the climate crisis and give Britain back its energy security.

Our final pillar to restore growth is to give working people the skills and opportunities they need to succeed. To make work pay, we will introduce a genuine living wage. To ensure that the workforce can meet local skills needs, we will transform the further education system, with specialist technical colleges delivering tailored courses designed with local businesses, and we will turn the failed apprenticeship levy into a new growth and skills levy to give businesses the flexibility they are asking for to train their workforce and deliver growth.

Measures to restore stability, to boost investment, to get Britain building, to cut energy bills and to secure for Britain the industries of the future: this is a positive Labour agenda offering a decade of national renewal in place of 13 years of national decline. What a contrast this is to a King's Speech from a Government who are out of ideas and out of time, and who have given up on governing; a King's Speech that shows that a very clear choice now faces the British people—a continuation of 13 years of chaos and insecurity, or a changed Labour Party now ready to change Britain.

4.02 pm

**Baroness Sheehan (LD):** My Lords, it is a pleasure to open day three of the debate on the gracious Speech from these Benches. I will be concentrating the bulk of my remarks on energy measures and will address the environment to some extent—climate change and nature being two sides of the same coin. I will restrict my remarks in the comfort and knowledge that noble friends following me are far better qualified than I am to cover the remaining topics.

I wanted to preface my disappointment with the gracious Speech by congratulating the Government on at least one item in it, so I scoured the mighty tome and found one that I approve of—the animal welfare (livestock exports) Bill. It is late, but welcome nevertheless.

I and many others were relieved that the dastardly plan to criminalise homeless people sleeping in tents and make it an offence for charities to help them had not found its way into the gracious Speech, and on that I congratulate the Government. The Home Secretary was adept at finding new ways to cast herself as a cartoon villain. She will not be missed. I am sorry that I digress a bit from the subject of today's topics.

I jest, of course, when I refer to the gracious Speech as a "mighty tome", because it was nothing of the sort: the legislative agenda with which we are presented is light and largely insubstantial. Before I move on to the bulk of my remarks, I express my disappointment that there was no reference to peat or the growing problem of disposable vapes. In particular, there had been hopes that the Government would address their promise to ban the sale of peat by the end of this Parliament. Implementing a comprehensive delivery mechanism to address degraded peatlands is a priority recommendation in the Climate Change Committee's 2023 progress report, so it is a disappointment that the Government were silent on this.



[BARONESS SHEEHAN]

Going forward, I hope that we can use the tobacco and vapes Bill to tackle disposable vapes. Aside from the damage they are doing to young people's health, the amount of lithium that is piling high in landfills and not being recycled is criminal. The Green Alliance states that, in the past year, enough lithium to make 5,000 EV batteries was disposed of. I hope the Government will give my comments serious consideration.

The star announcement was the Offshore Petroleum Licensing Bill, to

“support the future licensing of new oil and gas fields”,

but the more than 100 new licences granted this year did not require new legislation, nor did those in previous years, so I am a little perplexed by the Government's inclusion of this measure in the gracious Speech. Why did the Government feel it necessary to legislate for something that already happens? Surely, in this instance, they could have spared His Majesty the embarrassment.

Unless the Minister can give us evidence to the contrary, the Bill is both an unnecessary measure and an abuse of parliamentary time. Moreover, it flouts our international commitment to curb our carbon emissions. Is it not the case that, if the UK were to extract oil and gas from all the fields currently in production, we would exceed our nationally determined contribution commitments as per the Paris Agreement? If the Minister does not have the answer to hand, I hope he will write to me.

Not only will this Bill trash our reputation abroad, but it will have zero impact on easing the burden on people struggling to pay their energy bills. Shockingly, the Secretary of State is on record as saying there is nothing in the King's Speech to help people struggling with their energy bills today. She inexplicably went on to speak of future tax receipts funding future investment in renewables, which will bring cheaper energy bills at some point in the future. What do the Government say to people suffering from the cost of living crisis today? “Not enough” is the answer. The damage that the Government have done is so great that the measures the Minister outlined at the outset are not enough for the poorest households.

The Bill and the gracious Speech are silent on where this future investment in renewables will be deployed. Can the Minister tell us? Can he assure your Lordships' House that that investment will be in proven, cheap renewable sources, such as wind and solar, rather than unproven sources of energy that will not come online in time, until sometime in the distant future, if at all, by which time this sorry Government will, we hope, be history? If the Government are referring to carbon capture and storage and small modular nuclear reactors then they are betting the country's energy security and energy affordability on technologies that are unproven at scale, with no guarantee that they will ever be deliverable safely and in the required timeframe.

In her Commons speech on the gracious Speech, the Secretary of State was less than ingenuous when she said:

“Even the Climate Change Committee acknowledges that oil and gas will be part of our energy mix when we reach net zero in

2050. So if we will need it, it is common sense that we produce as much of our own of it here.”—[*Official Report*, Commons, 9/11/23; col. 282.]

What assessment have the Government made of our requirements for oil and gas in 2050? What are the assumptions that dictate we will need annual granting of oil and gas licences? The Secretary of State's comments are in direct conflict with the International Energy Agency and the Climate Change Committee, which both state that no new oil and gas fields are necessary to achieve net zero by 2050. Indeed, if we are to keep within a 1.5 degree centigrade rise in global temperature, it is essential that we reduce emissions with immediate effect. Currently, global emissions continue to rise.

The Offshore Petroleum Licensing Bill is wrong on so many fronts. It flies in the face of our international agreements, is on the wrong side of history and will not bring the price of oil down. That oil will first go to the international markets via the Netherlands for refining, as we no longer have the refining capacity here in the UK—or are we going to take the retrograde step of bringing that industry back?

The oil and gas we produce will necessarily be placed on the international commodities market, where it will be available for us to buy back at the global fixed price. It is no use the Minister saying it will help global supply and therefore bring the price down, because it will not. It is a fact that

“UK production isn't large enough to ... impact the global price of gas”.

Those are not my words, but the words of former Energy Minister, and now former chair of the Conservative Party, Greg Hands. I am very glad I look at my Twitter feed quite regularly, because otherwise I could not keep up with who is current and who is not. It has really messed up my speech.

We need more energy from renewables that are indigenous and ours in a way that oil and gas can no longer ever be. So why, I ask myself, are the Government doing this? They are doing this to create what they term a wedge issue in the next general election—how cynical. Nothing, it seems, is off bounds. Winning, whatever the cost, seems to be the only thing that matters. But they are mistaken if they think broadening the ULEZ issue in the Uxbridge and South Ruislip by-election, and doubling down on climate change measures, will translate into a winning message at next year's general election. “Bring it on”, I say.

The Government's actions fly in the face of scientific consensus, advice from our own globally respected Climate Change Committee and statements by the world authority on global energy requirements, the International Energy Agency. They stretch our international credibility to incredulity and will increase the cost of living for people struggling to pay their bills. If the Government truly want to help the poorest and most vulnerable in our society, then my advice to them is the following.

First, they should get a national awareness campaign off the ground, with consumer advice on how to save energy. Secondly, they should put in place a well-resourced national energy conservation programme, to bring every possible dwelling and business premises to EPC standard C, including reversing the decision to exempt



private landlords. Thirdly, they should get heat pumps—ground source or air source—installed in every home, where possible, and as quickly as possible. Fourthly, they should decouple the artificially high price of electricity from costly gas. Fifthly, they should lift the ban on onshore wind, the fastest and cheapest form of energy—it is still easier to put up an incinerator or open a new coal mine. Sixthly, they should sort out the national grid and bring it to a point where it is fit for purpose, both in updating its infrastructure and freeing it so that ready-to-go renewable projects are not held back.

In conclusion, we need leadership that recognises that the green transformation needs a Government that have the confidence to put in place the necessary building blocks now, not sometime in the future.

4.13 pm

**Baroness Hayman (CB):** My Lords, I declare my interests as chair and a director of the associated company Peers for the Planet. I will follow the noble Baroness, Lady Sheehan, in two respects. The first is to start with a positive and welcome the measures in the gracious Speech in relation to smoking and finally achieving a generation that will be smoke-free in this country. The second respect is that I will also be speaking on issues relating to climate and energy.

As the noble Baroness said, there are two separate, and arguably contradictory, elements relating to these issues in the Government's proposals. First, there is the plan to mandate annual licensing for North Sea oil and gas drilling, which is a specific policy proposal to be underpinned by legislation. In contrast, we have much a more high-level and aspirational commitment to

"seek to attract record levels of investment in renewable energy sources and reform grid connections"

as well as to

"lead action on tackling climate change and biodiversity loss"

and

"support developing countries with their energy transition".

These are high ambitions, but with no accompanying legislation or specific policy initiatives.

I have grave concerns about both sets of proposals: on the first, whether it is quite simply wrong in principle; and, on the second, whether it is mere words without the necessary substance behind them. Nowhere is there a commitment, which we need so badly, to provide a comprehensive, effective energy transition plan against which government proposals and government progress can be assessed.

I do not dispute, and I do not think anyone does, that we need existing oil and gas now and in the immediate future, and residual amounts once the majority of the grid is decarbonised, but the annual licensing regime proposed by the Government is, according to the *FT*, unlikely to reverse the dwindling reserves, a poor use of parliamentary time, and

"particularly short-sighted, given the volume of private capital globally now looking for a home in supporting the green transition". Last week the United Nations Environment Programme's powerful *Production Gap Report 2023* concluded:

"There is a need for governments to adopt both near- and long-term reduction targets for fossil fuel production and use".

Yet our Government seem to be going in the opposite direction.

We will not achieve an orderly energy transition and meet ambitious electrification targets based only on top-line commitments and assertions for the future. We need serious plans led by government in partnership with industry, explained properly to the public, that are long-term in nature and accountable in their governance. That means key milestones, robust measures against which progress can be assessed, and clear roles and responsibilities. It means addressing the current woeful absence of comprehensive plans to address energy demand and efficiency, and a serious plan will need to address the fundamental lack of equity in our tax and subsidy regimes for investing in fossil fuels versus renewables and other clean technologies. It cannot be right that oil and gas companies receive a 29% investment allowance, which can rise to 80% for building new infrastructure, whereas renewable energy producers receive no investment allowance whatever. To put it simply, our taxation provisions favour the building of oil rigs over wind farms. I hope that when the Minister responds she will undertake to look at financial provisions to incentivise clean energy and support the move away from high-polluting, expensive and ultimately insecure fossil fuels.

The Prime Minister has committed to putting accountability and long-term decision-making at the heart of his Government. Without a transparent and robust transition plan that drives up renewables and exits fossil fuels, there is neither long-termism nor accountability. Industries and individuals in multiple sectors deserve to understand the Government's proposals for shifting our country's energy profile and the implications and opportunities in green growth for those industries and individuals. If we wish to continue to lead globally, as the Government say they do, other countries need to see us doing this, and doing it well, at COP 28 and beyond.

4.18 pm

**The Lord Bishop of Durham:** I look forward to the maiden speeches of the noble Lord, Lord Gascoigne, and my right reverend friend the Bishop of Norwich. The gracious Speech expressed the Government's intention to make difficult long-term decisions to build a better future for the country. I confess that I am struggling to see much evidence of that plan. To think truly long-term about our country's future, it is vital that children and families and the environment are at the heart of every policy, particularly from the Treasury. Without prioritising investing in children, what hope is there of moulding citizens who contribute positively to society and the economic growth that this Government desire? So I welcome the Government's plan to increase the number of those taking high-quality apprenticeships, allowing young people to pursue their varied skills, but to ensure the educational success of all children we need to prioritise their well-being inside and outside the school gates. Without this support, how can we expect them to thrive?

The Joseph Rowntree Foundation's recent report *Destitution in the UK 2023* revealed that around 1 million children have experienced destitution in the past year—I repeat: 1 million children have experienced not simply poverty, but destitution. This number is not inevitable. It is preventable.

[THE LORD BISHOP OF DURHAM]

Poverty limits opportunity and life chances. The implementation of the two-child limit, the benefit cap and low levels of universal credit continue to push more families into poverty, impacting their education and futures. The well-being of children and families must be at the heart of all policy decisions. The Government will soon outline their proposals to reform welfare. Will His Majesty's Government carefully consider whether the decisions they make truly place children and families at the centre?

We also cannot abandon the urgent present needs. If these are not addressed now, they will have lasting consequences. The Trussell Trust revealed last week that over the summer it distributed record numbers of food parcels for that time of year, as well as having threateningly low levels of food-bank resources. As described by the Joseph Rowntree Foundation:

“We used to worry about food banks opening. Now we're worrying about food banks closing”.

A vital lifeline for those facing hardship and unexpected costs has been the household support fund, allowing local authorities to help directly those most in need. This is due to end in March 2024, which will leave a gap that neither local government nor the charity sector has the resources to fill, pushing even more families into crisis. So I ask the Minister: will His Majesty's Government renew this fund and develop a long-term strategy for local crisis support and proper economic support for local government?

I also believe that economic growth is hindered by certain groups being prevented from contributing to the economy. Nowhere is that truer than with refugees and those who are displaced. Refugees are gifts to our communities and companies alike. Our shared life is all the stronger due to the determination and contribution of many migrants. I highly commend the way the Government have piloted the tier 2 visa scheme with Talent Beyond Boundaries. Since 2021, it has seen 500 refugees come to Britain to help fill the country's skills gap and contribute to our economic growth, including: medics, lawyers, IT workers, graphic designers, civil engineers, construction engineers, and more. It is clear evidence that compassion, justice, safe routes and good economics do often correlate. Will His Majesty's Government commit to expanding this tier 2 visa scheme for refugees?

It remains nonsensical to prevent asylum seekers who have waited over six months for a determination of their case from working. It takes the toughest toll on people seeking asylum, but the nation is also missing out on tax revenue, much-needed specialists and a reduction in subsistence support. Allowing people seeking asylum to work could benefit the UK economy by well over £300 million each year. More importantly, it would allow people to rebuild their lives with dignity and purpose. Will His Majesty's Government rethink this matter? We all want to see long-term decisions and economic growth that change this country for the better, but that begins with placing the future generation at the heart of those decisions and not preventing those who are in need and in a well-placed position to do so from contributing their skills to our nation's life.

4.23 pm

**Lord Forsyth of Drumlean (Con):** My Lords, it is a pleasure to follow the right reverend Prelate the Bishop of Durham. We all share his aspiration to ensure that children and families are supported, but in order to do so we need to create the wealth to achieve that. Governments do not create wealth, businesses do, and I am sorry that his speech had very little about that aspect.

I shall talk about how the contents of the gracious Speech are going to be delivered and about the accountability of the Executive to Parliament. In the last Session there were 30 Ministers and Whips in this House, and 14 of them were unpaid. I thought we ended the practice of having to have private means in order to be able to serve in government in 1911. In this Parliament, one extremely effective and senior Minister of State was forced to take demotion in order to receive a reduced salary. Another able Front-Bencher gave up altogether as he could not continue unpaid. All Ministers of State in this House are now expected to work for nothing. This includes senior Defence and Foreign Office Ministers, whose duties involve travel away, and therefore they are not even able to claim the daily £300-odd allowance that is meant to cover accommodation and other necessary costs.

Unsurprisingly, the result has been that Peers are unwilling to take up ministerial office as many simply cannot afford it, while others are resentful at being asked to do so. The less than satisfactory remedy has been to appoint new but inexperienced Peers with deeper pockets, some of whom disappear after a short time in office to the Cross Benches—no names, no pack-drill.

Having served in government in the Commons for more than a decade, I am acutely aware of how much more demanding it is to be at the Dispatch Box in the House of Lords. Although politer, the questions are penetrating—even from your own side—and well-informed, and Ministers are expected to answer for the Government as a whole. Great rafts of legislation, bristling with Henry VIII clauses that have not even been discussed in the other place, surge up the Corridor for detailed consideration long after the other place has gone to bed. The House of Lords sits for longer hours than the elected House. In the last Session, 7,937 amendments to Bills were tabled and, unlike in the other place, each one is considered, with any of us free to speak with no restrictions on time—something that the Liberal Benches take full advantage of. Of those, 2,680 were government amendments accepted by the House, together with 277 opposition amendments. In contrast, as most Bills in the other place are timetabled, few if any amendments are considered and debated at all. The truth is that the other place is no longer doing its job of scrutinising legislation effectively and holding the Executive to account. There is much talk of reform of the House of Lords, but the Lords is working, working hard and doing a good job; it is the other place that is in need of reform.

Ministers in the Lords cannot be paid a ministerial salary because the Government have increased the numbers of Ministers in the Commons to 95, the maximum number allowed. I would like to think this

profusion of Ministers had nothing to do with extending patronage and reducing parliamentary accountability. However, there is certainly little evidence that it leads to better government.

There has clearly been blatant ministerial inflation. I am indebted to my noble friend Lord Young of Cookham for pointing out that Baroness Thatcher's first Administration had two Ministers in the Department of Transport in 1979—a formidable pair, in my noble friends Lord Fowler and Lord Clarke. This morning—or at least earlier this morning—there were five Ministers, even though much of what they were responsible for in 1979 has been privatised. The DHSS had five Ministers and is now replaced by two departments with a total of 12 Ministers, six in the DWP and six in the DHSC.

The Ministerial and other Salaries Act 1975 imposes a limit on the number of Ministers of 109, while the House of Commons Disqualification Act provides that there can be no more than 95 holders of ministerial office in the Commons entitled to vote. There is agreement on all sides of the House that the current position is outrageous and that the Prime Minister should either reduce the number of Ministers in the Commons today—he has an opportunity to do so—or introduce a Bill to increase the statutory limit to 123. Successive Cabinet Office Ministers have agreed that the position is unacceptable but then move on, having done nothing to change it. Rishi Sunak, our Prime Minister, has promised to take difficult decisions to ensure good government and the long-term interests of the country.

Personal wealth cannot be a qualification for ministerial office. I welcome the appointment of David Cameron as Foreign Secretary in this House, but it would be rather awkward if he was paid and his Minister of State was not.

4.30 pm

**Lord Woodley (Lab):** My Lords, I never thought I would agree with a contribution of the noble Lord, Lord Forsyth, but I do.

This was a deeply disappointing King's Speech—the first, and quite possibly the last, by this lame-duck illegitimate Prime Minister. There was no mention of an employment Bill, promised in the 2019 gracious Speech and over 20 times since by Ministers but now forgotten. Instead, we are going backwards on workers' rights, with new strike-busting laws to be in place by Christmas.

I remind noble Lords that, at the last election, the party opposite promised to raise standards in employment rights and make Britain the very best place to work in Europe. But rather than raising standards, the Government have undermined workers' rights, notwithstanding the valiant efforts from across all sides of your Lordships' House during the passage of the retained EU law Act—efforts which saved us from falling off a legislative cliff edge at the end of this year. I say well done to noble Lords.

We fought hard in this House, but we were not strong enough to stop the Government lifting the ban on using agency staff to break strike action. Thankfully, the High Court agreed with noble Lords and quashed these changes. It is a shame that Ministers did not listen to this House, saving themselves the embarrassment

of acting unlawfully, not to mention the public money that was wasted. But it is the anti-strikes Act—that is what it should be called—that now threatens to throw Britain into major industrial unrest. This pernicious legislation, which this House fought so hard against, could see millions of workers lose the most basic industrial right of all—the right to withdraw their own labour—with workers forced to cross their own picket lines and their trade unions legally obliged to enforce this. This is nothing short of scandalous, and the Government have not wasted any time, with new legislation soon set to make it impossible for rail, ambulance and border staff to take any kind of effective strike action.

As I said, this Government won power promising to improve employment rights, but they have done the opposite: they have broken promises to raise standards, with new attacks on workers' rights and industrial unrest around the corner. These are the problems that the Government will leave Labour to fix. I am proud to be in a party that has pledged to clear up this mess in the first 100 days of government and to introduce day 1 rights at work, to repeal the draconian anti-trade union laws and to ban fire and rehire.

In this House, we have been on the right side of history time and again, standing up for workers and against government abuse of democratic processes. I urge Ministers to listen to this House and end their vendetta against trade unions; to keep their promises and improve employment rights, not weaken them; and to stand up for workers during this cost of living catastrophe, not knock them down by undermining their last line of defence. When the first worker is sacked—there will be one—for refusing to cross a picket line, whether on the railways, in our NHS or on our borders, this will spark a furious reaction from across the trade union movement and beyond. I urge the Government to rethink their reckless strategy and not to start an unnecessary war against their own workers. Let us encourage growth and productivity.

4.34 pm

**Lord Stern of Brentford (CB):** My Lords, the Government's backsliding on climate action is a deeply damaging mistake, damaging for the UK, the world and the future of us all. It is a mistake founded on a whole series of muddled and incorrect arguments.

First, on the science, the Government speak as if the issue is simply about achieving net zero at mid-century, when what matters is the path to net zero and the total of emissions over time. Rapid reduction is crucial. The Government speak of “maxing out” from the North Sea, and thus appear to fail to understand that the Paris goals imply that much of the fossil fuels already discovered must be left in the ground. The Government also leave the impression that they have not understood the immense dangers of delay. I argued 17 years ago in the Stern review that the science told us that inaction was costly and dangerous. Let us not waste any more time.

Secondly, on energy, any actions on exploration which started now would lead to the production of oil and gas primarily in the next decade. For the Paris goals, the world's consumption of oil would need to be



[LORD STERN OF BRENTFORD]

around 60 million barrels a day 10 to 15 years from now, relative to the 100 of today. I refer, for example, to the work of the International Energy Agency. If oil consumption reduces, as it must, higher-cost producers will be forced out of the market; that would include most of UK production. Gas consumption must fall rapidly too. The alternative to these arguments is to claim that oil and gas would not be so reduced—in other words, to bet on the failure of Paris. That outcome would be disastrous for our children and grandchildren.

Thirdly, on security, the Government appear to believe that extracting oil and gas from the North Sea would deliver energy security—yet another confusion. That production is by the private sector and sold on world markets, as has already correctly been argued. It would, in large measure, be refined outside the UK. That it could be commandeered for UK use is simply not credible. We should also be clear that UK output has a negligible effect on world prices. Energy insecurity has come from dependence on fossil fuels, much of it produced in unstable parts of the world. Energy security will come from a rapid replacement of those sources. Renewables, with storage, already produce cheaper electricity than fossil fuels.

Fourthly, on health, the Government's prolonging of the use of the internal combustion engine prolongs the killing and maiming of many in our towns and cities through air pollution. We kill in the UK around 35,000 people a year from air pollution, 20 times the deaths from road accidents. Children are especially vulnerable. Indeed, the president of the Royal College of Paediatrics and Child Health has shown clearly that the Prime Minister's policies involve a serious threat to the lives and health of our children.

Fifthly, on our reputation internationally, the UK's backsliding reduces the confidence of Governments and investors around the world. As many noble Lords know, I work a lot on the international action in these areas, and I have been asked by many investors and policymakers in the United States, India, China, Africa, Europe and beyond what the UK thinks it is doing. Our actions encourage those opposed to climate action around the world to strengthen their efforts. They encourage the oil companies of the world to argue that their products can be phased out over a much longer period than is required for Paris. The *Guardian* reports today on a study that indicates that 96% of oil companies are planning expansion and exploration. Our hard-won leadership and respect, established through our climate legislation, emissions reductions and our successful COP 26, are being eroded or thrown away.

The growth opportunities of the 21st century lie in clean and efficient technologies and not the destructive methods of the 20th century. With strong investment in these technologies, the UK can be in the vanguard of the new growth story, but not through the increasingly backward-looking policies for energy and environment set out in the gracious Speech. Vacillation creates uncertainty, raises the cost of capital, reduces investment and is anti-growth. The proposed policies are founded in bad economics, confusion on the science,

misunderstanding of energy markets and energy security, negligence on health and a failure to understand our global role and reputation.

4.39 pm

**Baroness O'Grady of Upper Holloway (Lab):** My Lords, I declare my interests in respect of the Bank of England court and as former leader of the TUC.

In a world of accelerating shocks, building UK resilience is vital, but after 13 years of Conservative administration, the economy is in a mess. The latest figures show stagnating investment, low productivity and zero growth. Families are still struggling with energy bills and falling behind on mortgage repayments and the rent, and I hope everybody in this House will agree that homelessness is not a "lifestyle choice". Yet the King's Speech offered no serious analysis of the challenges we face and no serious remedies, so the forthcoming Autumn Statement is the Government's last chance saloon.

Many would agree that we need measures to boost productivity, and that technologies such as AI offer big opportunities to do that, but I have a word of warning. As the OECD has pointed out, higher productivity is no longer any guarantee of higher wages. That link has been broken, so we also need new policies designed to ensure that productivity gains are shared more fairly. The Bletchley Park summit was a missed opportunity—for sure, eyebrows were raised when the Prime Minister announced the Elon Musk interview on social media, with an image of the door of No. 10 morphing into the corporate logo of X; after viewing that so-called interview, I think it is safe to conclude that Rishi Sunak is no Jeremy Paxman.

The summit red carpet was rolled out for big tech moguls and Governments, including those of China and Saudi Arabia, so there was certainly expertise in the room on AI and mass surveillance, but workers' expertise was not invited. There was no seat at the table for the TUC, despite trade unions representing millions of workers in the UK and around the world. Instead, the Government have lined up behind big tech lobbyists against strong regulation of AI. We are asked to believe that the industry will voluntarily do the right thing, but have Ministers learned nothing from the bankers' crash? As Larry Elliott observed:

"There is, once again, a danger that the pursuit of profit comes before the public good. As in 2008, that way lies disaster".

Government must also face up to the urgent challenge of industrial disruption and the risk that AI will exacerbate both regional and class inequalities. New jobs will be created, for sure, but many jobs will change and some will go. To smooth the transition, the country needs much stronger social protection and much more ambitious investment in skills and training. Competition policy must be tougher to prevent tech megacompanies exploiting their market power, and workers need support to secure a fair share of those productivity gains. That must include new rights to technology agreements, a human review of AI decisions and the right to disconnect. And, not least at Amazon, where low-paid workers are in the midst of strike action, workers need stronger rights to organise and to win union recognition.



I have a final word to the wise. In a country crying out for change, pre-election tax cuts for the wealthy and a bankers' bonuses free-for-all will not cut it. Instead, we need a serious plan to rebuild the UK's economic resilience; investment in a green industrial strategy to grow good jobs; and a little less deference and a lot more determination to hold tech giants to account for the common good.

4.44 pm

**Lord Bridges of Headley (Con):** My Lords, I very much look forward to the speeches by my noble friend Lord Gascoigne and the right reverend Prelate the Bishop of Norwich. I see that there is a pub called the "Lord Gascoigne", which puts him in a unique and elite clique alongside the noble Lord, Lord Cromwell, and the noble Duke, the Duke of Wellington—sadly, there is no "Lord Bridges" yet, although I live in hope.

Here is a striking sentence from His Majesty's gracious Speech:

"My Government view with grave concern the economic situation of the United Kingdom about which a full disclosure must be made to the nation".

This sentence was not what we heard last Tuesday. It was in the gracious Speech of the last King, George VI, in 1951, but it is as relevant today as then. Given the talk about the Chancellor having headroom for tax cuts in the Autumn Statement and the fact that we might hear some good news at last on inflation this week, your Lordships might well ask why I am being Eeyore when I should be being Tigger. I could point to last week's spluttering, flatlining GDP figures but, worrying though they are, that misses a much bigger picture.

Let us start with our debt. Earlier this year the OBR said:

"The 2020s are turning out to be a very risky era for the public finances ... This rapid succession of shocks has ... pushed government borrowing to its highest level since the mid-1940s, the stock of government debt to its highest level since the early 1960s, and the cost of servicing that debt to its highest since the late 1980s ... UK ... borrowing costs have risen more than in any other G7 economy ... The rise in global interest rates has fed through to the UK's debt servicing costs more than twice as fast as in the past or elsewhere".

Debt is just one of the challenges we face. We have heard of others: demographics—our ageing population; decarbonisation, as the noble Lord, Lord Stern, mentioned; digitalisation, the need to retrain and skill our workforce; and defence, the need to strengthen our Armed Forces. These are the five Ds—the challenges that loom over all our debates. Let us consider what these challenges will mean for the public finances, not off in some distant date in 2050 or suchlike but in the life of the next Parliament. According to the OBR, the little list of greening our power, buildings and industry, increasing defence spending and higher health-related welfare benefits will alone cost about £40 billion a year of extra spending. That is before we get on to other topics, such as debt interest.

Some say that this spending is inevitable. I have heard it said many times over the last few months that our government will grow and that we are back in an era of big government. This is therefore an acceptance that we will have to pay more taxes, so that the Government can do more. That is a respectable argument,

and many in this House will make it. I profoundly disagree with it because it suffers from a fatal flaw; the only way we will be able to overcome these challenges is to become more productive and more attractive for investment so that we grow more. If we do not grow, we will not be able to pay for the public services we all want. The road to growth is not paved by bigger government and higher taxes, yet I very much fear that this is the path we are on.

Too many people, particularly after years of QE, think we inhabit a forest of magic money trees in which the Government have the ability to spend their way out of any national disaster and to pick up the Bill for any personal misfortune. Too many people believe that government can, should and must regulate and legislate to stamp out or at least mitigate risk and bail out business failures. I strongly believe that, if we want to encourage the enterprise and innovation that power growth, this approach and mindset—I stress that word—are unsustainable. While a tax cut may cheer some this week and while there are some measures in this gracious Speech that I might be able to support, I fear that we are in danger of lulling ourselves into a false sense of security and that we are not rising to the challenges.

We need a coherent strategy to confront those five Ds, and it must ask and answer a very basic question: what do we want the state to do? What is the state's responsibility and where does the responsibility for the individual lie? For that debate to happen, we need full disclosure about the state we are in and the precarious nature of our finances. Without that brutal honesty, we will stumble and stagnate. In the words of His late Majesty George VI, this overshadows "all other domestic matters".

4.49 pm

**Lord Snape (Lab):** My Lords, in the nearly 20 years I have spent in your Lordships' House—and even longer than that in the other place—I have seldom heard a less relevant gracious Speech than the one we are debating. There is barely a sensible word about transport policy; all we have is a Bill about pedicabs. When I first looked at it, I thought it was about pedicures. At least there would have been some sense in that: we all have feet and toenails but few of us ride on pedicabs. Surely this is a matter that could be dealt with by by-laws at Westminster council level.

We are told that there is no time to introduce the Bill for Great British Railways in the current Parliament. I remind your Lordships that it is five years since Mr Keith Williams sat down to prepare his report about the future of the railway industry—the fourteenth in the current century, as far as I can count. His report was initially so well received by government that Mr Grant Shapps—or whatever he is calling himself these days—attached his name to it. Overnight it became the Williams-Shapps report, although I very much doubt he did anything other than read what Keith Williams had prepared and have his picture taken in various railway stations—although he is normally one to avoid publicity.

There was not a word about those of us who have to suffer Avanti trains on a regular basis. As a regular traveller, I get a daily message from Avanti with a list

[LORD SNAPE]

of train cancellations. There were three today due to a shortage of train crew. There is something wrong with a railway system that depends on blaming trade unionists for its failure. One of the many jobs I did during my railway experience was rostering train crews. Any depot that relies on rest day working and overtime to provide a basic service is obviously undermanned, yet it is cheaper for the people who run our railway system to run it on that basis than to adequately employ people.

There was not a word about the sale of Arriva trains. This is not a corner shop we are selling off. This is a train service that runs from Aberdeen to Penzance and from Birmingham to London Marylebone. This company provides the bulk of buses in the north-east and a quarter or so of London's buses. Yet, without any reference to His Majesty's Government, it is being sold by the German Government to an American private equity company based in Miami that is registered in the Cayman Islands for tax purposes. We are used to some of the villainy that has taken place so far as PPE is concerned, so it should not surprise any of us that this Conservative Government should stand by while this sort of conduct takes place.

Do your Lordships think that the shareholders of I Squared, which is acquiring Arriva, will be concerned about the future of rail passengers in the United Kingdom? The people I talk to in the United States cannot believe that this country could sell its main assets in the way that we do. The land of the free forbids foreign ownership of industries such as the railway, and yet we are to give ours away.

There was not a word about HS2—although the Minister mentioned it during his opening speech—where we have the worst of all worlds. We have a rump of a high-speed train running from Aston in Birmingham to Acton in London. It will presumably be a premium fare service but slower than the existing high-speed trains that run on the palpably inadequate infrastructure we have at present. We are the laughing stock of the railway world.

We heard from the noble Lord, Lord Callanan, and the Prime Minister that the private sector will rebuild Euston station. I bet it will. I do not know anybody in your Lordships' House who would invest much money in that; I cannot see that very much private money will be invested.

At least there is some hope as far as the bus industry is concerned, although not very much. The proposals that freeze the £2 or £2.50 maximum charge for our buses—the major method of public transport in this country—run only until October next year. As far as this Government are concerned, that is probably long enough and just about right.

In 2010 the Government signed a PFI agreement with the city of Birmingham—the city I live in, although I have never managed to acquire the accent—to maintain the roads and traffic lights. They have not renewed that agreement and, unless they do so, work will cease on Birmingham's highways and the city will be bereft of about £500 million.

This is, I hope, the last King's Speech that we hear from this Government. The sooner they are sitting on these Benches, the better it will be for this country.

4.55 pm

**Lord Gascoigne (Con) (Maiden Speech):** My Lords, it is the honour of a lifetime to rise to speak for the first time in your Lordships' House. Never in my wildest dreams did I expect to be granted such a privilege. Before entering, I was repeatedly assured that everyone in the House would be warm and welcoming, and I assumed such words were akin to those given by your dentist just prior to them unveiling drilling equipment last seen in the digging of the Channel Tunnel. However, I have been genuinely struck by the friendliness from all around the House, and I thank your Lordships for the exceptionally warm words today as well. Although it has been a few months since I was introduced, every day before entering your Lordships' Chamber the heart beats a little faster—especially right now—and I constantly expect to be tapped on the shoulder, followed by, "Excuse me sir, but you shouldn't be here".

I would like to pay tribute to Garter, Black Rod, the doorkeepers and those working in the House for being so kind and helpful. I also thank my supporters, the noble Lords, Lord Udny-Lister and Lord Goldsmith of Richmond Park, both of whom I have worked with closely and known professionally and personally for many years. Both taught me much about politics and life: to be respectful, kind, stand up for what you believe in, work hard but enjoy life and your family, and that, crucially, politics is the arena in which we can make things better. I thank my noble friend Lord Sherbourne of Didsbury, who, when he chose to cease working for the late Lady Thatcher, must have thought that would be the end of tough gigs—yet ended up having to mentor me. But he has done so with enormous energy, grace, and kindness, and given me a lot of time and sage advice.

Throughout my time in politics, and indeed my life, I have had the privilege of so many who have imparted their help, support and opinions—some not always friendly. To everyone on my journey, I say thank you. That especially goes to my family, who are watching on the parliament channel—or at least I hope so. When I have not always been around as much as I wanted due to the pressure of work over recent years, they have always been there for me and tolerated me, especially my wife, Clare, who is here in the Gallery, and our most beautiful three year-old daughter, Sophia, who is an incredible jolt of life and fuel to want to live, and we have another on the way. Although I lost my dad when I was much younger, I am sure he will be cheering me on.

I was born in the early 1980s and grew up in sunny Lancashire, in the former mill town of Nelson, surrounded by some of the most beautiful countryside, including Pendle Hill, from which the area takes its name. My dad worked for the council, among other things, and my mum ran a nursery. Although we did not have much money as a family, what we did have in abundance was love and humour. Like the noble Lord, Lord Lee of Trafford, and the late noble Lords, Lord Greaves and Lord Waddington, I am not the first person with links to Pendle to sit in this place. I hope that I am not the last, because like so many northern towns and areas, these places need strong advocates. While Pendle is rich in its history and beauty of the local countryside,

it faces many challenges. Yet there are opportunities, and I was struck by elements of the gracious Speech which looked way into the future: trade deals, achieving net zero, AI. These are going to shape the lives of everyone, especially young people such as my three year-old daughter and her generation.

I am aware of the wealth of knowledge in your Lordships' House. For my part, I have had the privilege of working in local government for the Mayor of London, in the Foreign Office for the Foreign Secretary, and in No. 10 for the Prime Minister. Although I know that Boris Johnson can be controversial to some—though he is not alone in that—I was proud to have worked with him in all three of those roles and grateful to him for giving me the opportunity to fight for three things about which I care passionately.

The first is the right for quality education for all girls around the world. This is a righteous cause in itself, often taken for granted in the West, but one which makes absolute sense to this country and elsewhere for social, economic or demographic means. The second is levelling up. When I first went into politics, I felt that the north was seen as a separate, neglected partner in the UK, but I firmly believe that a truly United Kingdom means equal opportunity across all the country. While much work has begun over recent years, much more still needs to be done.

The third, and most important to me, is conservation: tackling the evils of the illegal wildlife trade and promoting better animal welfare and the wonders of the natural world. Over many years, I am proud of having worked with a number of brilliant, inspiring and passionate campaigners and charities, as well as those in Whitehall. While I recognise that there are those who remain unconvinced, tackling pollution, creating better animal welfare, and protecting and restoring nature are things that matter. They are crucial to food production and to our air, health and economic security, not to mention the beauty and benefits that a green and pleasant land gives to the soul. Furthermore, these things also unlock huge opportunities and economic growth. I firmly believe that we can revitalise parts of the country, create new jobs and growth, increase exports and tourism, and reduce bills, as well as protecting nature and the beauty of this land and the world.

I am pleased that this Conservative Party, under successive leaders, has led the way in putting these issues front and centre, which this King's Speech has continued with the animal welfare Bill, not to mention a commitment to continue to tackle biodiversity loss. I look forward to doing all I can to support the Government to tackle all these issues and many more.

Finally, I assure noble Lords that I will be committed and respectful and that I will play my part. In all the days ahead, I look forward to working alongside your Lordships, learning the ropes and doing all we can together to move this great country forward.

5 pm

**Baroness Hoey (Non-Affl):** My Lords, it is with genuine pleasure that I congratulate my good friend the noble Lord, Lord Gascoigne, on his maiden speech. It was informative, eloquent and deeply moving.

I have known the noble Lord for nearly 20 years and have watched him grow from a rather shy young man, a little conscious of his northern roots—perhaps too conscious—to someone who now knows what he wants to achieve. He can be very proud of what he has already achieved. His deep love for his family is evident, and I know how much he depends on the support from his wife Clare. I am not sure whether he has ever told Clare, but, years ago, I tried to matchmake Ben with a very beautiful young woman. I was completely unsuccessful; of course, he was just waiting for Clare to come along.

The noble Lord has, in a relatively short time, been privy to some of the most extraordinary events in politics in our country. At London's City Hall, he was with the Mayor of London for eight years. As I, the noble Lord, Lord Moylan, and others know—I worked with the mayor as the unpaid sports commissioner—behind the scenes, he was instrumental in making so many things happen when sometimes it looked as though they would not happen. He was crucial to the mayor's very successful two terms in office—whatever you think of Boris Johnson.

He continued working with the then Prime Minister, first in the Foreign Office and then in Downing Street, so he lived through the entire leaving the EU saga—always behind the scenes, but he is one of the very few who knows where all the bodies are buried. I am sure that we all can breathe a sigh of relief that, thankfully, the noble Lord is one of the most discreet and decent people in public life. He assures me that he is not writing a book.

Noble Lords should know that he is definitely not a tribal politician; indeed, he could not in any way be described as just another boring politician. He will be another voice here for freedom of speech, tolerance and saying it how it is. I look forward, as we all do, to his future contributions.

Following on from the noble Lord's remarks on the environment, I too welcome the ban on animal exports. Sadly, it will not apply to Northern Ireland, for the sole reason that this Government have abandoned part of the UK to the rules of the EU, and the EU, disgracefully, does not seem to have any care for the animals suffering on long journeys just to be slaughtered. I say here that we also need more local abattoirs.

In discussing the environment, I will mention a word that has become very trendy but without a great deal of discussion: "rewilding". It is well intentioned but threatens active harm to our natural environment. All of us see the devastation caused by the worst excesses of human activity and we want to see it undone. As someone brought up on a small farm run on organic principles long before the word "organic" was even thought of, I believe that we should be much tougher on the companies and others responsible for those who pollute our rivers and discharge sewage.

However, rewilding in its fuller sense is a different matter and means different things to different people. The basic problem with rewilding is that it suggests a reversion to some previous state. The problem of course is: which state? What are we rewilding to? Landscapes across the UK have been shaped for centuries by people. It was people who transformed the wildernesses



[BARONESS HOEY]

into land that still produces so much of our food. We should be producing more and more, and we should still have a Minister of Agriculture.

It was people who created a thriving rural ecosystem that underpins the UK's biodiversity strengths, and it was people who have, in doing all this, curated our landscapes as diligently as those who manage the galleries that now house paintings by Constable—that great artist who depicted those landscapes in all their majesty—which we love. Rewilding those landscapes would not mean a reversion to some state of imagined perfection, a mythical past of dark, dramatic forests and endless fields of wild flowers. Ours is not a mythical world but a real world, and applying romantic and emotional ideas in the real world may comfort those who advocate it, but can prove disastrous.

I will give one example. The Hunting Act, passed nearly 20 years ago, was supported by many for what they thought were sound animal welfare reasons. Many of us here warned this would not happen and now we have been vindicated, as we know from the publication just last week of a brilliant book called *Rural Wrongs: Hunting and the Unintended Consequences of Bad Law*. Written by environmental journalist Charlie Pye-Smith and helped by former League Against Cruel Sports director Jim Barrington, it argues that instead of benefiting wild animals, the precise opposite has occurred. Life for the fox, the brown hare and the red deer of Exmoor is now far worse, their status having been reduced to that of a pest. Those who campaigned and supported this detrimental law have not spent a penny in assessing its impact. We said it would be bad and now we can prove it.

The rewilding argument tells us to ignore similar warnings and wilfully permit the destruction of the landscapes we love. There are better solutions. Farmers and land managers are the best environmental champions we have. England has three-quarters of the world's chalk streams, and the British Isles have the most heather moorland in the world. These are globally rare, globally significant habitats, and we should be cherishing, celebrating and promoting them, not abandoning them for the sake of a slogan and a brand. If we are serious about reversing biodiversity loss, people and rural communities are key to the solution. Yes, of course solar power is important in the overall policy of climate change, but we should not be so intoxicated by the objective that we allow it to also desecrate our countryside. There are plenty of places to put solar other than on fertile farmland where we should be growing food. Responsible and organised species reintroductions are one thing, but abandoning environmental management would do nothing for the future of the countryside—we need it managed. Government should be empowering and encouraging the managers.

I am so glad that in His Majesty's gracious Speech there was not one mention of rewilding.

5.08 pm

**Lord Lilley (Con):** My Lords, I know we are not supposed to reiterate congratulations to the maiden speaker. However, as the first speaker from his side, I congratulate my noble friend Lord Gascoigne on his

maiden speech and on his modesty, which, I suspect, belies great ability. We look forward to hearing more from him in future.

Unlike the noble Lord, Lord Stern, I welcome the Government's decision to allow exploration in the North Sea. There are two ways to reduce emissions: phase out demand for fossil fuels, or phase out their supply. Sensibly, we have decided to phase out demand—indeed, that is the basis of his whole report. It would be absurd for the UK unilaterally to restrict domestic oil and gas production while allowing imports with added transport emissions from abroad. If oil and gas industries worldwide invest in more fossil fuels than are needed as we phase out demand, they will lose a lot of money. Tough—it could not happen to a nicer bunch of people—but that is not our big problem. However, if we reduce the supply of fossil fuels worldwide faster than we phase out demand, we will face shortages and escalating prices, there will be huge profits for the oil industry, and we will have done to ourselves exactly what Putin did to us two years ago. Let us keep to phasing out demand and not supply.

I also welcome the PM's decision to delay the ban on internal combustion engine vehicles—not because it will have a major effect in itself. More than 80% of all the vehicles produced in this country are exported, so they depend on the rules of the countries to which they are exported. The rules here have almost no effect on them. What he has done is open up the possibility of a rational debate about the cost of action to reach net zero versus the cost of inaction or delaying action.

Until now, the presumption has been that incorporated in the very name of Extinction Rebellion: that if we do nothing, the human race faces the risk of extinction. If that were the case, almost no cost would be too great to bear to phase out fossil fuels and prevent global warming. But is it true? I asked Ministers in a Written Question if they know of any peer-reviewed study accepted by the IPCC which forecasts the extinction of the human race if the world takes no action to phase out fossil fuels. The answer was clear: there are no peer-reviewed studies predicting human extinction if we do nothing. Of course there would be problems, costs, and so on.

Nor is there a serious threat of humankind being reduced to poverty, hunger and wretchedness if we take no action to reduce reliance on fossil fuels. Take, for example, the predictions of the noble Lord, Lord Stern. His key conclusion was that if we do nothing—not if we do not do enough, but if we do nothing—it would be equivalent to a loss of well-being of 5% of GDP every year, now and for ever. Being 5% poorer than we would otherwise be is a serious blow, but by no stretch of the imagination does it amount to impoverishment of the human race, just setting us back by two, three or four years of growth.

A more recent assessment, if you think that the noble Lord's report is out of date, comes from Professor Nordhaus, who was awarded the Nobel Prize in 2018 for his work on assessing the costs and benefits of action on climate change. He concluded that the optimum target for the world to aim for is not 1.5 degrees centigrade above pre-industrial levels, or even limited



to 2 degrees, but nearer to 3 degrees, which would mean that there may be scope for us to delay our target for net zero beyond 2050.

If that is not enough and you want the imprimatur of the IPCC, turn to its chapter on the impact of climate change on the economy. I quote the opening words:

“For most economic sectors, the impact of climate change will be small relative to the impacts of other drivers ... Changes in population, age, income, technology, relative prices, lifestyle, regulation, governance, and many other aspects of socioeconomic development will have an impact on the supply and demand of economic goods and services that is large relative to the impact of climate change”.

I am a scientist by training, and I know the basic science is rock solid, but let us have a rational debate about the cost of action and inaction, because these costs and benefits are more finely balanced than often supposed. Let us approach the issue in a rational way and not as if we are all members of an apocalyptic sect.

5.13 pm

**Lord Ravensdale (CB):** My Lords, first, I declare an interest as a project director working for AtkinsRéalis, a director of Peers for the Planet and co-chair of Legislators for Nuclear. I wish to make a few remarks on energy, which forms part of the focus of the gracious Speech, and particularly to talk about some enablers for the nuclear programme.

First, we have seen some very welcome developments recently, such as the formation of Great British Nuclear, as the Minister stated in his opening remarks, and it is really encouraging to see the pace at which the SMR competition is moving. However, SMRs are only one piece of the puzzle and larger gigawatt nuclear also needs a similar process to proceed beyond the current projects of Hinkley and Sizewell C. If we are to meet the government target of 24 gigawatts, additional buildout of established technologies will need a place in that, alongside SMRs and advanced nuclear technologies.

Further to that, there is clear crossover on the way forward on SMRs and large nuclear, in that the sites being considered for SMRs will also be suitable for large nuclear, so the two need to be considered together. Can the Minister please update the House on when the Government will announce a way forward with large gigawatt nuclear and a technology selection strategy? Advanced nuclear technologies also need a route forward, and there are a number of advanced nuclear vendors that want to progress in the UK but have no clear route forward; as a result, they are looking elsewhere. I look forward to the forthcoming consultation and hope that the Government will give this some urgent attention in order to seize the opportunity for the UK.

I had hoped for legislation on planning and consenting in the King's Speech. This has been a central part of the national conversation in recent months, with the HS2 decision highlighting all the difficulties in getting large infrastructure projects built in the UK. We made some good progress in the last Session in ensuring that climate mitigation will be considered in the new national development management policies, but the Government need to go further.

A few examples highlight the issues in this area. The environmental statement for Hinkley Point C ran to 20,000 pages, and for Sizewell C, 44,000 pages—a stack of paper around 5 metres high. Clearly, we are not going to get things built quickly under these kinds of constraints. Also, there is the infamous acoustic fish deterrent system at Hinkley Point C, which went through a five-year process with various regulators and is being installed at huge expense, for negligible benefits. To solve this, energy security and net zero need to be better recognised within the legislative framework, for regulators and other agencies—for example, the Planning Inspectorate and the Environment Agency. These are critical national priorities and must be recognised as such if we are to deliver the nuclear programme the Government want and the country needs. It is not just nuclear: there is grid buildout, onshore wind and energy storage. There is a huge infrastructure challenge here, and a fresh look at the planning system is needed if it is to be delivered.

Finally, the Government are working to address energy security in terms of our oil and gas capacity, but we have an issue globally with dependence on Russia for nuclear fuel. It dominates global supply chains for uranium conversion and enrichment. The UK is uniquely placed to develop a capability that can meet our fuel needs as well as those of other western countries. I know that work is ongoing in this area, but legislating to secure our nuclear fuel supply chains would be an effective way of getting some momentum behind this and ensuring that it happens.

Nuclear will be critical to meeting our energy ambitions. We are in the foothills of the renaissance but there is much still to do to ensure that we seize this opportunity for the country.

5.17 pm

**Lord Mandelson (Lab):** My Lords, I will focus on economic growth and the need for investment to achieve this.

Weekend reports suggest that the Government intend to cut business taxes in the Autumn Statement by extending the tax deduction for companies' investment in IT equipment, plants and machinery. I can see the case for this and for restoring tax relief on companies' research and development, rather than the mooted cut in inheritance tax. We need to recognise that alongside the hard Brexit that this Government foolishly engineered, long-standing low investment in our economy is a root cause of our dire economic state, which the noble Lord, Lord Bridges, accurately described. Raising levels of public and private investment in the economy will be the central challenge of a Labour Government, if elected. I commend very warmly what my noble friend Lord Livermore had to say on this subject.

Unless we in this country shift from low to even moderate levels of investment by comparison with our competitors, we will simply not get out of the deep economic malaise we are in. I believe that every policy should be judged in this light: does it aid economic growth or not, and is it likely to attract and stimulate additional investment or not?

Where I part company with the Government is in imagining that adjusting tax allowances is anywhere near sufficient to create the stimulus for investment

[LORD MANDELSON]

and propulsion that our economy needs. For this, we need a much bigger growth plan, in which the Government play a more active role alongside the private sector; which takes advantage of the new market and business opportunities connected with the energy transition that is under way; which draws on and commercialises key parts of Britain's science and technology base; and which leverages the underexploited university research and human talent that exists across the UK's nations and regions.

Science and technology are the lifeblood of the 21st-century economy. They will not only solve our biggest climate and societal problems but, if we successfully unlock our world-class scientists and technologists, build new businesses and supply chains that are the seed corn of our future growth. We are already doing well; but imagine how much more we could achieve if we actually planned for success—not just for one Parliament but spanning two and more, as other successful countries do.

Every aspect of such a plan requires the delivery of higher levels of private investment. It is a generational challenge, but the point is that private capital is mobile; it has options and we are in a global competition to attract it. Other countries are falling over themselves to win that race and, too often, the UK appears on the sidelines, having indeed sidelined itself at times.

We have done great damage to our international reputation through the chaos of the last seven years. I was in the United States last week and I heard this first hand from American investors. I am afraid that, despite all the advantages we have—geography, language, rule of law, our science base, our first-rate business and professional services and many more—our once well-earned renown for quality of government has been replaced by a reputation for policy irrationality, political instability and chaos at the centre of government.

We have to make the UK a competitive place to attract private investment. We are not the biggest economy, and we are going to compete not by writing large cheques but by demonstrating a clear long-term strategy, regulatory stability, clear industrial priorities and a laser-like focus on the total business environment, including our offer on taxation, careful labour market reform and skills.

All this is not going to be easy. There are no quick fixes for the situation we have got ourselves into. We face the most challenging economic circumstances since the 1970s. But, in my view, there is huge opportunity and, I hope, good will available to a future Labour Government who approach these challenges with a mixture of zeal, focus and good sense.

5.24 pm

**The Lord Bishop of Norwich (Maiden Speech):** My Lords, it is a privilege to offer my maiden speech following the first gracious Speech given by His Majesty. I thank noble Lords for their welcome, and the staff for their kindness and guidance. I will need to draw on the wisdom of all who serve our nation in this House.

As Bishop of Norwich, I serve a diocese that has 658 of Norfolk and Waveney's churches. Many of them are gems of medieval architecture. All of them

are treasure troves of memory and places of prayerful watching. Plenty have unique round towers. Each rural church community knows about the hidden challenges of poverty, poor transport and the high cost of housing, but also about the strong sense of community found in our churches and schools.

Since my early years, I have been captivated by our natural world, going on to become an ecologist. This, combined with a vocation to ministry, means that my passions are flying in formation in my current role as lead bishop for the environment. Through a quirk in history, I am also the last remaining Bishop Abbot, with the ruined St Benet's Abbey in the Norfolk Broads being my bailiwick. I sail there each year in a Norfolk wherry, standing at the bow, anxiously trying to ensure that my mitre is not blown off.

That stunning landscape was created by our forebears' need for fuel—for peat. Now, as we realise the damage to people and the planet from our dependency on carbon fuels, so ably highlighted by the noble Lord, Lord Stern, we must protect and enhance ecosystems that store vast amounts of carbon, such as wet fen, reed beds, deep peat soils and forests.

The noble Lord, Lord Gascoigne, mentioned in his excellent speech his love of the natural world. I raise him Norfolk's biodiversity: the peregrine falcons nesting on the spire of Norwich Cathedral; the dancing of swallowtail butterflies over milk parsley in the Broads; the plaintive mewing of the grey seals protecting their pups on the east coast; tending my own honeybees; the great dawn flight of pink-footed geese from their marshland roosting grounds on the north coast; or the soil ecosystems that are so essential for growing cereals for Norfolk's outstanding ales. Big skies and rich land, chalk streams and broads, forests and heathlands: many are internationally important habitats because of their place along migratory routes, the scarcity of their ecosystems, or the rarity of their species.

Therefore, I welcome His Majesty's Government's commitment in the gracious Speech to

“continue to lead action on tackling climate change and biodiversity loss”.

Past UK Governments have been instrumental in seeking and shaping international agreements to protect nature. I saw these in action as a board member of the Northumberland National Park Authority, with its various protected landscapes, and as we dealt with new tree diseases when I chaired the Forestry Commission's advisory committee in the north-east. While the gracious Speech spoke of holding

“other countries to their environmental commitments”,

the UK Government can do that with credibility only if we are an exemplar ourselves. As His Majesty has frequently reminded us, we must learn again our interdependence on nature and seek to reverse the horrific graphs of decline.

With the care of creation being a strong theme within Christianity—indeed, all faith communities—churches have a part to play. Churchyards should have a rich biodiversity—places for the living, not just the dead. The Communion Forest is a global initiative comprising local activities of forest production, tree growing and ecosystem restoration, seeking to safeguard creation right across the Anglican Communion.

The Book of Revelation notes that the leaves of the trees will be for the healing of the nations. To plant is to hope; to restore is to heal; to protect is to love. I wonder whether seeing again nature's wonder and its beauty might just rekindle the foundation for a life-affirming, nature-valuing horizon, because we have a long way to go to leave nature in the better place than we found it, as the noble Lord, Lord Callanan, spoke about. This needs cross-party leadership and a commitment long into the future. I look forward to playing my part in your Lordships' House.

5.30 pm

**Baroness McIntosh of Pickering (Con):** My Lords, we have heard two brilliant maiden speeches, and I congratulate both speakers on making such excellent contributions.

I welcome and congratulate the right reverend Prelate to this House. As a member of the Rural Affairs Group of the Church of England Synod, I particularly welcome him. His impeccable credentials are proved on both rural and environmental matters. I understand that we were both educated in North Yorkshire and are both alumni of Edinburgh University, so I think that is a very good start for him. I am delighted that he reflected his strong sense of community in his maiden speech. He serves the diocese of Norwich, which proudly boasts of a beautiful garden widely known as the Garden of Eden. To continue the theme of my noble friend Lord Bridges, that is possibly not disconnected from the fact that it neighbours the well-frequented "Adam and Eve" hostel.

The right reverend Prelate serves with distinction; his work on medical ethics as a board member of the Human Tissue Authority is exemplary. He has also found time to publish a book on walking, *The Way Under Our Feet: A Spirituality of Walking*, and, as he mentioned, is lead Bishop on the environment; we first worked together on national parks. He is also an avid beekeeper and has chaired the Forestry Commission's forestry and woodlands committee in the north-east. He is passionate about biodiversity. I look forward to working together on rural and environmental issues, and to his many future contributions to this House.

I turn to the contents of the gracious Speech as regards the rural economy, food and farming. The animal welfare and livestock exports Bill will ban the export of cattle, sheep, goats, pigs and horses for slaughter and fattening from Great Britain to the EU. Why is this ban not reciprocal? Why is it at present nigh on impossible to export cattle from this country for breeding purposes, but there is no ban on imports from the EU? Given that we have high standards of animal welfare in this country, which I welcome, I urge the Government to closely and properly monitor the imports of live animals, plants and food products into this country. I watch with alarm the explosion of bluetongue. We appear to be accepting live animals into this country, but my understanding is that there is no centralised quarantine point and, as yet, no border control points. That does indeed threaten the very basic domestic biosecurity in this country.

Last week the FSA, in its second annual report on our food, mentioned a specific alert about shortages in key occupations needed to keep our food safe, such as,

in particular, vets and food inspectors. The FSA, both for England and for Scotland, goes on in the report to call on the Government to introduce import controls on food imported from the EU, and to reduce the risk of unsafe foods entering the UK from the EU and other third countries. How do the Government intend to respond to the FSA report and the alarms it has raised?

In view of the recent floods and the third storm this autumn, it is disappointing that the gracious Speech makes only fleeting reference to adaptation and other aspects of flooding. Residents have suffered appalling flood events and farmers have seen their land waterlogged, threatening food production, food security and the vital role that farmers play in food protection to communities downstream. This could represent a potential loss to the economy and a threat to food security and to the environmental protections that farmers provide.

While it was agreed that it would be best not to build on flood plains, 60% of potential building locations are on flood plains. Would it not be better to renovate existing properties in market towns and cities, in particular focusing on the provision of one or two-bedroom homes in rural areas rather than this fixation with four or five-bedroom homes? In particular, it is extremely important that farmers nearing retirement can remain in a rural area; a small one or two-bedroom home would be ideal.

The role of mapping is very much the preserve of local authorities, particularly mapping the division between zones 3a and 3b as regards flooding. We established that this is not being done through the passage of the Levelling-up and Regeneration Act. How can we identify the areas most prone to flooding and reduce the risk of flooding going forward? I hope this is something the Government will focus on in any legislation on adaptation and mitigation.

I urge noble Lords to spare a thought for farmers at this very difficult time. Some 58% of grade 1 agricultural land is situated on a flood plain and 9% is at high risk of coastal flooding. Fields are currently waterlogged or flooded. Farmers cannot plant crops or feed their livestock.

As with all commercial insurance, the availability of flood insurance is primarily determined by flood mapping. Using these flood maps, insurance underwriters will then consider their stance on floods and align their acceptance of risk, with some having a more lenient approach than others. Flood risk is usually built into farm insurance as standard, if available, when it comes to buildings and equipment, including crops in store. However, it is routinely unavailable in respect of livestock and straw in fields or for growing crops, which means that farmers will effectively face the total loss of any crop failure due to flooding.

Some farmers are now attempting to reach agreement with the Environment Agency to offer their land for flood alleviation in return for specific payment, which I hope my noble friend will look favourably on when she comes to review the gracious Speech in terms of the impact on the rural economy, farmers and residents who have been affected by recent flooding.



5.37 pm

**Lord Birt (CB):** My Lords, in the debate last year following the gracious Speech, the Minister declared that she would outline the plan for a world-class transport network. She said that

“few things transform the prospects of an individual, a community and, indeed, an entire nation more than a modern, well-functioning transport network”.

I agree.

Just over a year later, a Minister reminded us that:

“HS2 is a key part of the Government’s levelling-up agenda ... The section ... between Crewe and Manchester will also form the foundations for Northern Powerhouse Rail ... speeding up east-west rail services between the north’s towns and cities”.—[*Official Report*, Commons, 3/7/23; col. 32WS.]

In October last, Liz Truss as Prime Minister promised an HSR link linking Liverpool to Hull via Manchester and Leeds. I can confirm the need for that. Just a few days ago, after a football match, I travelled on the comically misnamed TransPennine Express from Liverpool to Leeds, that modest distance taking almost one and a half hours. No surprise: the train was five minutes late departing. My short wait was accompanied—as invariably is the case in stations these days—by public announcements that two trains had been abruptly cancelled: one to Warrington, the second to Blackpool North. Is this a

“modern, well-functioning transport network”?

The in-principle go-ahead for an ambitious high-speed network in the UK was given by Tony Blair in 2004, almost 20 years ago. The noble Lord, Lord Adonis, duly picked up the baton and launched HS2. All three main political parties when in government in effect gave the project their full support, but in 2014 the link to Europe, to HS1, was dropped. Later, the eastern leg to Yorkshire, the branch to Liverpool and the enabling spur north of Manchester to Scotland were dropped. This year, the links to Manchester and the east Midlands have been dropped.

The UK currently has 113 kilometres of high-speed rail, linking St Pancras to the Channel Tunnel. The International Union of Railways has collated the global data for 2023. As of 1 October, Sweden had 860 kilometres of high-speed rail, Italy 920, Germany 1,600, France 2,700, Japan—a far more mountainous and densely populated country than the UK—3,100, and Spain, the European leader, 3,900. Perhaps noble Lords might like to guess how many kilometres of high-speed rail China has. Is it 4,000 kilometres? In fact, China has a remarkable 40,000 kilometres of high-speed rail versus the UK’s 113 kilometres. Whatever would the UK’s great railway pioneers make of our falling so far behind, our chopping and changing, and our inability now as a nation to plan and keep to it?

As Tony Blair’s strategy adviser at No. 10 in the early 2000s, I worked with a team of Department for Transport and Cabinet Office officials to examine the state of the UK’s road and rail infrastructure. We identified then that we had the least developed infrastructure of any major country. We demonstrated that the UK had invested a lower share of GDP by far than other leading countries and that for half a century Governments of all persuasions had cut back on infrastructure spending whenever the economic winds turned against them. When Tony Blair gave the green

light to progressing a UK high-speed network in 2004, China had precisely no high-speed rail. Incredibly, its 40,000-kilometre network has all been built in the 15 years since 2008. The World Bank has published an extensive report on China’s achievement, identifying the key reasons for its success: a well-analysed long-term plan with minimal changes once approved, standardisation of design and a competitive supply industry, all resulting in a low cost per kilometre built. We need to abandon the frenzied, short-term calculation that shames our political system and return to good, steady, strategic government. Hasten the day.

5.43 pm

**The Lord Bishop of Oxford:** My Lords, it is a privilege, as ever, to take part in the debate on the most gracious Speech. I thank the Minister for his clear introduction and pay tribute to the noble Lord, Lord Gascoigne, and the right reverend Prelate the Bishop of Norwich for their gracious and eloquent maiden speeches. It is particularly good to welcome the right reverend Prelate the Bishop of Norwich to this House with his considerable expertise, as he has demonstrated, on the environment and climate change.

I warmly welcome the Prime Minister’s ambition to build a better future for our children and grandchildren and to deliver the change the country needs. It seems to me, as to so many, that so great are the challenges we face that this or any Government will need deeper humility combined with greater practical wisdom to lead the nation forward.

I shall speak on my two areas of focus in this House: the climate and artificial intelligence. Both are areas of existential risk in this and future decades. On climate, I welcome the Government’s restated determination to lead action on tackling climate change and diversity loss. As a member of your Lordships’ Select Committee on the Environment and Climate Change, I recognise the complexity of a fair transition of our whole economy to net zero, but I do not yet see this determination translated into effective leadership of granular policy, whether that is in the transition to electric vehicles, decarbonising home heating or encouraging behaviour change.

The tone of the Speech is that the world is more or less succeeding in reducing greenhouse gas emissions. The opposite is, of course, the case. The years when we can avert future disasters are slipping away, as the noble Lord, Lord Stern, argued. I say, with respect, to the noble Lord, Lord Lilley, that much of the world is currently experiencing the catastrophic effects of climate change, as is well documented by the United Nations and others. We need greater leadership and co-ordination across every government department and an increased sense of urgency in this legislative programme.

In particular, I want to highlight the risks and dangers of politicising the climate change agenda, which has been a feature of recent government announcements. Reaching net zero fairly demands the patient building of cross-party and cross-societal consensus, which has been damaged by the recent changes in electric vehicle targets and the decision to licence yet more future oil and gas fields, which are unlikely to come into production in time to support the essential and urgent transition we need.

Turning to artificial intelligence, I congratulate the Prime Minister and the Government on the recent AI summit and all that has emerged from the discussions there. The summit served to raise the profile of the questions raised by AI, the ways in which the benefits of new technology can be realised and the mitigation of its potential harms. I welcome, therefore, the promise of new legal frameworks for self-driving vehicles, new competition rules for digital markets and the encouragement of innovation in machine learning. However, I encourage the Government to invest more deeply in dialogue with civil society about the impact of these new technologies. The recent summit claimed to be a conversation with civil society, but I have seen no evidence of this third key voice in the room. The Government have entered a dialogue with the tech companies, which is welcome, but this dialogue must be further informed by trade unions, academia, community groups and faith communities to build trust and confidence about the kind of society we are building. In her response, will the Minister indicate the ways in which the Government will strengthen this third arm of the conversation in the coming months and years?

5.48 pm

**Baroness Liddell of Coatdyke (Lab):** My Lords, this was a very lightweight gracious Speech, especially on critical aspects of the economy. I know we are in the run-up to the Chancellor's Autumn Statement, but the Speech makes it look as if improving our economic performance is of secondary importance. My noble friend Lord Livermore was very precise on that. The Minister was very upbeat about the economy. He probably does not read the rebel magazine, the *House*, because the previous Chief Secretary to the Treasury pointed out in it how difficult the economic situation was. He said that the tax burden would rise to 37% next year and that debt interest spending in 2022-23 was £112 billion, more than 6% of GDP, which is higher than any other G7 nation. He stated:

"Those are the facts. They're unpalatable facts, but they can't be avoided".

I think it was a missed opportunity not to have more in the King's Speech, but I will move on and talk about energy now. I am sure the noble Baroness the Minister, who is to reply, wants this section to be about the annual licensing rounds in the North Sea. Well, it is—because it is a stunt, supposedly to trip up Labour. It fails to take into account that, just a fortnight ago, we had a major announcement on drilling for oil and gas in the North Sea. Labour will honour the licences that were granted at that time, but we will not issue any more, because of the climate change issues but also because it is a dwindling reserve.

I was a young economist for the trade union movement when it started, and the only claim to fame I have to put me with the Queen and Margaret Thatcher was that I could never go to a rig because they did not have any ladies' toilets. I remember very well how difficult the environment is. But the way forward is about energy security. The new licences can achieve that, I suppose, but, as I pointed out, it is a dwindling reserve. The legislative stunt will do huge damage to the reputation of the UK in the run-up to the next COP. It is very unfortunate timing.

The noble Lord the Minister knows that I am president of the Carbon Capture and Storage Association. I will pay the Government a compliment: to thank them for the £20 billion that has been allocated to CCUS in the Spring Budget. It is much appreciated but, alongside the £20 billion, the industry has made a £1 billion capex investment and is ready to make substantial capex of £42 billion between now and 2035. My point to the Minister is that the Government need very rapidly to confirm the allocation of that funding as the funding envelope for future projects depends on it. The country's future as a leader in the field is dependent on clarity. Without clarity, the project pipeline is at risk; so, if the Government want to ring-fence energy security, it is vital that these spending issues are addressed quickly. We have between six and 12 months to resolve these very difficult issues.

We have in the United Kingdom about one third of Europe's storage capacity and we could develop a sector worth £30 billion in taxable revenues by 2050. Other countries are waiting in the wings. They are ready to move. A clear timetable of our own for driving the programme forward is absolutely essential if we are to realise this country's true potential. Only today, the press was reporting on the progress being made in sustainable aviation fuel to protect developments such as this. The Government need to get a move on. CCUS will create 70,000 new jobs throughout the UK if the clusters model is realised and will protect 71,000 jobs in existing industry. There is no time to delay; this is an opportunity, and it would be a sin praying to heaven for vengeance if we did not get a move on and did something about it.

5.54 pm

**Baroness Moyo (Con):** My Lords, I start by saying that I very much enjoyed the maiden speeches of my noble friend Lord Gascoigne and the right reverend Prelate the Bishop of Norwich. I am afraid that both of them have stepped out just in time for me to stand up and thank them. I know that they will make great contributions to this House given their respective experience.

In the gracious Speech, His Majesty stated how the Government's focus

"is on increasing economic growth and safeguarding the health and security of the British people for generations to come".

With this in mind, there are three global changes afoot that pose serious risks to an already stressed economy and, ultimately, to British life and wider society. With the confluence of these global factors comes the question of how well equipped government is to overcome them.

First is the energy transition. As a point of order, I direct Members to my interests as recorded in the register of interests. Ahead of the upcoming COP 28 meetings, it is worth remembering that, globally, we are consuming the equivalent of over 100 million barrels of oil every single day, with fossil fuels still representing roughly 80% of the energy supply stack. The International Energy Agency estimates that the energy transition could require \$5 trillion of investment every year if we are to achieve net zero by 2050. This is nearly double the projected \$2.8 trillion of investment

[BARONESS MOYO]

in clean energy prescribed for this year. Together, these realities raise doubt about our ability to limit global warming by 1.5 or even 2 degrees in the nearing timeframe. More crucially, what appears to be an energy crisis only is also, at least, an economic and national security challenge.

The second global risk is artificial intelligence, including generative AI. AI is more than just a technology issue; it has far-reaching implications for the economy, with the prospect of productivity gains and boosting economic growth, although how and when this may occur exposes the economy to vulnerabilities. AI also has implications for business, with predictions of a declining labour force, albeit leading to lower operating costs and higher company profits. AI has implications for society, as economic gains could accrue largely to owners of capital rather than to providers of labour, thereby increasing the threat of greater inequality and social unrest.

Ultimately, AI could mean changes in the role and scope of government, as my noble friend Lord Bridges highlighted. At a minimum, facing a rising jobless underclass, the state will have to confront more assertively at least two big policy areas: taxation and welfare. Of course, Governments are alert to the changing calculus that AI brings to the actions and behaviours of rogue states.

Thirdly, there is the global risk of widening and worsening geopolitical fissures, as well as the reconstitution of the world map. Both of these complicate the energy transition and the impact of artificial intelligence. Noble Lords will not have failed to notice that BRICS nations, led by Brazil, Russia, India, China, and South Africa, are expanding to 11 emerging countries. From January 2024, the group will be home to over 40% of the world's population and this will represent 36% of world GDP. This group will have the potential to open and alter the world's trading corridors, supply chains and direction of investment. Meanwhile, the so-called swing states, including Turkey, Saudi Arabia and other Gulf Cooperation Council countries, are already altering the movement and pricing of key commodities such as foodstuffs and critical minerals upon which the energy transition relies.

The widening schism between developed and developing nations is frustrating the progress on the energy transition through COP negotiations. Furthermore, it is entrenching the technological splinternet that pits China and other state actors against the West in a race for technological superiority. It seems to me that we are presently under-equipped to mitigate and address these multifaceted risks. Thus, we require a serious review of the way this Government, and this Chamber, confront Britain's threats as they rapidly change militarily, technologically and economically. Of course, the 2021 government integrated review and this year's integrated review refresh remind us of the benefits of an overarching cross-departmental approach within which to think about global threats.

However, we must be open to reassessing the vulnerabilities of the more siloed lead department model that governs our Civil Service and our own ability in this Chamber to gauge the intricate and emerging global threats. After all, if there is one key

lesson from the 2020 pandemic, it is that there are always second-order effects that must be confronted by a more unified approach than that offered by the lead department model. To put it plainly, what was in the moment seen as just a health crisis has had tentacles spanning the economy, education and civic life in ways that we now know could inflict irreparable damage on future generations. In a similar vein, the threats targeting the UK today warrant a more comprehensive and coalesced analysis, assessment and response if we are to adequately avert them.

6 pm

**Lord Whitty (Lab):** My Lords, that impressive and wide-ranging speech by the noble Baroness, Lady Moyo, indicates what an extraordinarily wide range is covered, at least notionally, by the title of this one-day session. I say "notionally" because the main burden of the contributions so far, including mine, concerns not what was in the King's Speech but what was not. Enormous opportunities have been missed. I shall not dwell on the specifically economic aspects—the noble Lord, Lord Bridges, has spelled out all the things not being addressed by the Government in that respect—but shall concentrate mainly on the environment.

That said, the economy is being experienced by ordinary families in a particularly acute way at this time: falling real living standards, the precariousness of employment, the inability to improve jobs and a lack of training to do so. That needs to be addressed. As my noble friend Lord Woodley said, we did not see the employment Bill that was promised in 2019; instead, the Government have ignored the decline in working standards and in training for future challenges. We need an employment Bill, but I doubt it will come from this Government; it may come from the next.

So, there are serious economic problems, but the environmental ones are even more serious. We are not even prepared. The King's Speech does not address the issues that the public themselves have brought up in the last few months. The most important issue they have concentrated is water: sewage and the state of our rivers and seas, the effect on wildlife and biodiversity, and the effect on agriculture, as the noble Baroness, Lady McIntosh, has referred to. There is nothing about water in the Speech. We had a debate a few weeks ago in which some of us argued for a new approach to water regulation, but that has not been addressed at all.

Water is an important issue but it is not the only one, and perhaps not even the most important. The real problem with the Speech, one that demonstrated enormous government insensitivity, is that its first legislative commitment is to continue indefinitely to give licences every year to North Sea oil and gas. As my noble friend has just explained, we do not actually need it, and it sends the signal that we appear to be departing from a major climate change commitment. Probably the most important, positive achievement of the Johnson Government was holding the COP 26 conference in Glasgow. It was not perfect, but Alok Sharma did a tremendous job, and it gave us the opportunity to tackle climate change globally. Yet we are now signalling, as the first item in our legislative programme, that we are going back on that.



A few weeks ago, the noble Lord, Lord Deben, argued successfully that if the UK is to take a lead, it is impossible for us to continue exploring for oil and gas in the North Sea, when we are arguing that countries much poorer than us should not increase their dependence and open mines and oil wells. If we do that, we will have lost our leadership position. I am glad that the noble Lord, Lord Stern, who has spent a long time looking at these issues over the last two decades, emphasised that the loss of that leadership position is important.

I am afraid that that is part of a more general theme. We have set back the date for phasing out the internal combustion engine. We have put back the date by which landlords are expected to achieve a certain level of energy efficiency for their homes. We have put back the date for ending new gas boiler sales. As others have said, this is part of a political ploy to try to differentiate the Government from what they see as a woke green agenda. I do not believe the British electorate will buy it, and it is a real fault of this Government to think that such ploys are important, when there are many profound global issues that they should be addressing. To undermine what was previously a very effective position for the Government by doing that at this point is a political mistake of the first order.

6.06 pm

**Lord Cromwell (CB):** My Lords, I add my congratulations to today's two maiden speakers for their eloquent, thought-provoking, even lyrical contributions.

Many today are speaking about the environment. Environmental issues have become an increasing concern as we consume this planet's resources and bring ourselves closer to a climate tipping point. In his most gracious Speech, His Majesty referred to

"long-term decisions in the interests of future generations".

He has often personally been ahead of many others in his concern for the environment. That concern is not only for terrestrial life but now includes the space that surrounds this planet. Today we need not just to look at life on earth but to look up and address what we are doing around our planet, in space.

Space is no longer accessible only to state agencies. Both state and private actors are firing more and more material into the limited orbits available around our planet. Such launches now often release numerous small satellites in their wake, making orbits ever more crowded.

There are many positive sides to space technology, of course—communications, climate observation and navigation systems, to name but three—but this new space race has negative consequences too. There are now millions, indeed tens of millions, of fragments, many of them simply untrackable, orbiting our planet at very high speeds in these limited orbit zones. Not only do they collide with other equipment in orbit, but astronauts—this is insufficiently publicised—have to take cover inside their spacecraft in order to avoid being hit. Even a fleck of paint hitting an astronaut at such speeds would likely be fatal. States, in acts of bravado, have used missiles to shoot down and explode redundant satellites, creating thousands more fragments

circling our planet in blizzards of flying metal. Where overcrowding causes one item to smash into another, that creates a cascade of yet more debris that in turn hits other objects, and so on—known as the Kessler effect.

New frontiers are pretty lawless places. History shows that mankind explores new frontiers, then exploits and, in doing so, despoils them, and then looks for new opportunities to repeat that process. Space is no exception. As a student of space law, I quickly realised how limited and often out of date the regulation of space is. That is compounded by the fact that enforcement is extraordinary difficult. For example, imagine trying to prove liability, or even jurisdiction, when an astronaut is cut in half by a flying fragment of unidentified metal thousands of miles above the surface of the earth.

Furthermore, I was astonished to learn that 85% of the satellites circling this planet today have no insurance. Can you imagine airlines or vehicle fleets being allowed to run on that basis? Unless proper regulation, backed by effective detection and enforcement, is put in place, we will see a repeat of the pattern that we have seen on this planet: a scramble by those who can afford it to take control of the frontier—by force if necessary—pollute it for their own gain and leave our grandchildren with the consequences.

There are some causes for hope. His Majesty has again led the way with his support for Astra Carta—a kind of Magna Carta for space. With others, the Department for Science, Innovation and Technology is working on standards for space activity that it hopes will become the norm for space projects seeking investor finance, for example. I was sad to learn today of the resignation of George Freeman as the Minister for this department, as he has been a great champion of these standards.

There are also companies—I know of three in the UK—developing ways to remove space junk or extend the life of items in orbit. I note that, last week, the UK Space Agency announced a bid process—albeit a modest one—of £2 million for research into this area. But until there are effective regulatory and commercial incentives to do these things, they face an uphill struggle to realise a market for their services. Success will need both international buy-in and global enforcement. If the UK is going to lead on this, continuity of effort beyond the impending election will be needed.

In short, humans have always looked up at space and felt its seeming vastness and mystery, but today the orbits around this planet are limited and are becoming overcrowded by state actors, the military and commercial operations. Can we do better in space than we have on this planet? As a first step, the Government should publicly and clearly recognise that space is an inevitable and integral part of our environment. As such, proper regulation and management of this so-called new frontier requires urgent and co-ordinated action every bit as much as addressing the environmental issues on the surface of this planet. Will the Minister undertake tonight to follow up on this?

6.11 pm

**Baroness Drake (Lab):** My Lords, I reference my interests as a trustee in occupational and master trust pension funds. Pension funds have moved up the political agenda, as the Government focus on them as generators of investment for growth and net-zero infrastructure. The City sees them as potential inflows to make up for those lost by Brexit and to maintain its economies of scale and competitiveness.

In his Mansion House speech, the Chancellor set out proposals to support growing the economy through directing investment from funded private and public pension schemes into productive assets, including private equity and new businesses. He set out three golden rules: to secure the best possible outcomes for pension savers, with any changes to investment structures putting their needs first; to prioritise a strong and diversified gilt market, recognising its importance in debt funding to government; and to strengthen the UK's competitive position as a listing destination and leading financial centre.

Alignment of the UK's economic growth with the interests of millions of workers' pensions savings is an aspiration clearly to support. How that alignment is achieved is where the challenge lies—how conflicts of interest are reconciled, who benefits, who bears what risks, the governance in investment structures and the governance of political decision-making.

Greater state intervention into the investment of private savings is being prepared. The prospect of government mandating how assets are invested was trialled in the December 2021 letter signed by the then Prime Minister and Chancellor. Political mandation would supplant fiduciary duty in investment decisions. Once that precedent is set in law, a Pandora's box opens up on the extent and specificity of subsequent government mandates imposed on private assets. Mandation poses many problems, including undermining public confidence in auto-enrolment. It would be better for government to create the right conditions for attracting investment in productive finance, and the capital will follow.

As to those conditions, in the large funded public schemes, such as local government, the Government have greater powers to influence, but most private defined benefit schemes are closed. By the end of the decade, over half of their assets and liabilities will have been bought out by insurers. The remaining closed schemes will be cash-flow negative. The decline in DB pension savings, the drive to productive investment and the negative shift in market sentiment raise important questions for the future gilt market—no wonder they form part of the three golden rules that the Chancellor set.

Through automatic enrolment, funds in DC schemes will rise to well over £1 trillion by 2030 and continue to grow, in effect providing capital of the future. The Mansion House aspirations expose the inefficiencies in our highly fragmented private pension market. Little is in the gracious Speech, but the Autumn Statement may address how to consolidate and scale up workplace pension schemes and how to get them to invest in start-ups and desirable infrastructure.

Consolidation to create scale is necessary to enable lower costs, better governance and increased investment capacity and capability. However, the Government must also address other inefficiencies, such as the existence of many millions of disaggregated small pension pots, which are inhibiting long-term investment. The assumption that more illiquid, higher-risk investments will produce better outcomes for savers comes with many dependencies, not least charges. In its new value assessment framework for pension funds, the Treasury chose a gross, rather than a net, investment performance metric. This is deeply disappointing, and in my view fails the Chancellor's golden rule spelled out at Mansion House.

The Government have to facilitate the investment opportunities and the structures and governance that enhance investment, growth and value for savers. For example, in Australia, master trusts set up collectively owned vehicles to invest in their start-ups. Major Canadian and American pension schemes have taken similar ownership steps with private equity and investments. But our economic growth requires capital from both overseas and UK investors. As my noble friend Lord Livermore stressed, that requires government to set long-term economic policy, provide the consistency needed for investor confidence and adhere to high standards of governance in decision making. These requirements have not been met in recent years.

6.17 pm

**Lord Bradshaw (LD):** My Lords, when I was introduced to your Lordships' House some 24 years ago, the then Chief Whip of the party, John Harris, gave me some advice: to speak about what you know about and otherwise keep quiet. During my career on the railway, I have managed the west coast main line on four occasions, and have kept in close touch with it since. I feel qualified to talk about it professionally. The route is the major railway line between the south and the north of Great Britain.

I will set aside the effects of the pandemic and the subsequent industrial disputes. If this route were being managed by a guiding mind, the demand would be forecast to be 12 passenger trains plus four freight trains an hour, in both directions, north of Birmingham. This amount of traffic cannot be accommodated on the existing railway without very substantial and disruptive investment. It was this issue of the shortage of capacity that led to the development of HS2.

I am not attempting to defend the management of the project to date. This must rest with government and its appointed agents, and it is not the responsibility of professional railwaymen. But I am arguing for the continued safeguarding of the route north of Birmingham so that in future a new team of competent railway personnel should be given the task of reworking the proposals on a value-for-money basis. This had to be done with HS1, the route from London to the Channel Tunnel, when Union Railways, the Government's chosen contractor for the then project, failed and a team of railway professionals took over and delivered the project on time and on budget.

Next, the timetable for the whole route needs to be recast on a flighted pattern, which would increase throughput to the maximum possible. This is a job for

the guiding mind, acting independently of government and private interest groups. The potential prizes for this are immense in the context of climate change. Many road-based journeys would transfer from road to electrified rail, particularly if fares were simplified. For example, it is estimated by the Chartered Institute of Logistics and Transport that 5,000 lorry journeys each way could make the switch, with significant savings in emissions and fuel burned.

If we do not improve the railway north of Birmingham, we will have a terrible railway journey going south and north, to Liverpool, Manchester and Glasgow. There is really no alternative to developing HS2, because it took 14 years of parliamentary time to get the wretched Bill through—and another 14 years will probably be a point at which we give up travelling altogether. If any money is immediately available arising from the decision to postpone work on HS2, the Government have at hand proposals from the Chartered Institute of Logistics and Transport to fully electrify gaps in the core freight network. Can the Minister confirm that she has got these proposals in her hands, as I believe she has? They may form some part of the money that the Government are still to spend.

6.22 pm

**Lord Lennie (Lab):** My Lords, I am not the first, and I certainly will not be the last, to say that this Government's plan for this Session of Parliament is lacklustre. As my noble friend Lord Whitty said, the wide range of contributions that have been made by speakers throughout this debate proves the point of the insignificance of what is in this speech.

The Government have admitted what we have been saying from these Benches for years—that the country needs change. It is baffling that in this King's Speech they have offered nothing but more of the same. It is the people of Britain who have been failed by this Government—a Government who have given up on governing, with a legacy of stagnant growth, skyrocketing mortgages, crumbling schools and hospitals and a cost of living crisis. This is the case everywhere you look: every family and business has been failed by the Government's failed energy policy. On their watch, Britain was the worst-hit country in western Europe. It was this Government who were unprepared and slow to react.

While the consequences of that crisis are still being strongly felt, what is the Government's response? It is in the King's Speech—their new flagship policy, the Offshore Petroleum Licensing Bill. Astonishingly, the Energy and Net Zero Secretary has admitted that it will not take a penny piece off energy bills. It is a gimmick and a stunt, and one more thing that the Government have given up on. Do they accept the current levels of people's energy bills? Insulating the 19 million cold and draughty homes in Britain could cut Bills by £2 billion, so why is that not in the King's Speech? When the importance of energy independence could not be clearer, this Government's solution is to double down on fossil fuels.

The National Infrastructure Commission recently found that moving away from fossil fuels would enhance energy security by reducing exposure to the impact of geopolitical shocks on prices. Do the Government

disagree, or do they just not care? Why are they happy to reduce our energy security in this way? While producing our own energy may bring down energy imports, it is not necessary to do it in this way. Indeed, our oil and gas production has higher than average emissions compared with other producers and is twice as polluting as that of Norway, where most of our imports come from. That is where the Government's focus should be: to increase energy security, increase energy independence and lower bills while meeting our climate commitments.

It was this Government's own former net zero tsar, Chris Skidmore MP, who said:

“There is no such thing as a new net zero oilfield”.

Yet oilfields are the Government's number one priority.

6.25 pm

**The Duke of Wellington (CB):** My Lords, in this very wide-ranging debate this afternoon, I wish to speak about the environment, and in particular the aquatic environment. I had hoped that there might have been a reference in the gracious Speech to the regulation of water companies. Almost every day we read in the newspapers of yet more revolting discharges of sewage into our rivers and on to our beaches. The Environment Act 2021 placed new obligations on water companies to limit such discharges. The Water Services Regulation Authority, Ofwat, and the Environment Agency are taking this matter a great deal more seriously than they did before the passing of that Act, and public awareness and concern have continued to rise. In the local elections last May, it became an important political issue—but the continuing level of discharges is an embarrassment to this country.

Many people rightly question how we could have got ourselves into this shameful situation. There have been suggestions that the water companies should be renationalised. I am personally not in favour of that, but I think we must now accept that, when these regional public service monopolies were privatised, the regulatory structure then created has been found to be inadequate. Any monopoly, particularly of a public service, must necessarily be methodically regulated. Unfortunately, for the water industry this responsibility is split between Ofwat, the financial regulator, and the Environment Agency, the environmental regulator.

The Environment Agency has many responsibilities and monitoring sewage discharges has not in the past been a high priority. I therefore propose to Ministers—and I realise that the noble Baroness, Lady Penn, is a Treasury Minister, and I hope that she will pass this on to her colleagues in Defra—and to the Opposition—I am pleased to see the noble Baroness, Lady Hayman, in her place—that whoever is drafting the next King's Speech should include an undertaking by His Majesty's Ministers to introduce legislation to Parliament to place all regulation of water companies in one regulator. I am not aware of any other regulated industry where the responsibility is divided.

In trying to analyse the causes of this dire situation, we see a number of possible reasons. Ofwat may not have been aware of the level of investment required to cope with the enormous increase in wastewater being generated by housebuilding and home improvements.



[THE DUKE OF WELLINGTON]

It may not have been aware of the increasing volumes of rainwater being channelled into the sewerage system. Equally, the Environment Agency had not been aware for years of the level of illegal discharges and the degree of investment required to rectify it. I sympathise with officials at both regulators, who are trying to do their jobs. At Ofwat, one hand was tied behind their back, and at the Environment Agency they have been more concerned with other matters, such as floods and flood management.

My request, perhaps to the new Secretary of State, is to allow officials at the Department for Environment, Food and Rural Affairs to study the possible restructuring of water company regulation so as to place it unambiguously with a single regulator. This will probably lead to higher investment, which is absolutely necessary; to lower dividends to water company shareholders, which with hindsight have been too high; and to lower bonuses for management, which have clearly been too high. This is not a glamorous subject. In this green and pleasant land—a phrase used earlier in the excellent maiden speech by the noble Lord, Lord Gascoigne, but worth repeating—we simply cannot go on polluting our rivers and beaches.

6.30 pm

**Lord Leong (Lab):** My Lords, it is a pleasure to follow the noble Duke, the Duke of Wellington. I take this opportunity to congratulate the noble Lord, Lord Gascoigne, and the right reverend Prelate the Bishop of Norwich, on their excellent speeches. I look forward to their contributions in the years ahead.

This time last year, I was introduced in your Lordships' House, so it was a great honour, exactly one year later, to be in the Chamber to listen to His Majesty the King's gracious Speech. Apart from my first anniversary, however, there was very little to celebrate. Indeed, on the crucial subject of the economy, there was very little in the Speech. It does not take a political mastermind to work out why: interest rates are at their highest since the 2008 global financial crisis; and inflation is at more than three times the Bank of England's target rate, with underlying indicators suggesting that further falls will be sluggish. The British people are paying the price of this failing Government, through 25 Tory tax rises and much higher mortgages. Does the Minister agree that there is really nothing to crow about?

At the start of this year, the Prime Minister and Chancellor promised to get the economy growing. Last week's GDP figures show that growth is flatlining, yet this is met with a mixture of relief and tepid celebration on the Government Benches. The Chancellor put it down to high inflation. Does the Minister believe that if inflation comes down to the Prime Minister's personal target of half what it was in January, we will see growth rise significantly, or is just avoiding recession now the limit of this tired Government's ambition? According to the IMF's *World Economic Outlook* report, the UK is forecast to record the weakest growth of all the G7 economies next year, while our national debt is at historically high levels. Will the Minister inform your Lordships' House what the UK's current national debt is, and how many millions servicing debt interest will cost us over the coming years?

Looking at the few economy-related Bills in the King's Speech, I welcome the reintroduction of the Digital Markets, Competition and Consumers Bill, carried over from the previous Session. The additional protections for consumers in the rapidly evolving online marketplace are broadly agreed cross-party and in both Chambers. Sadly, the digital divide in the UK is increasing, just as connectivity becomes ever more important for people's access to fundamental services, information and financial transactions. The inequity of access to online learning for the poorest households was evident during the pandemic and risks becoming entrenched for the next generation, yet there is no indication that the Government have a plan to address this, or even any answers on the scale of the problem. Can the Minister confirm how many households do not have, first, broadband, and, secondly, mobile internet access, and indicate what the Government plan to do to reduce those numbers?

Labour is a proud pro-business, pro-trade party and we welcome any deal which increases the export potential for British businesses and improves choice for British consumers. However, unless and until we fundamentally address our long-standing and widely acknowledged low productivity problem, joining a trade organisation containing

"some of the world's most dynamic economies"

will not transform our economy. It reeks of desperation—a bit like the nerdy kid in a school hanging round the cool kids, hoping that some of their success might rub off. I fear the Government's claims for the CPTPP trade Bill are optimistic, to say the least. Parliament must have the chance to properly scrutinise this deal. Can the Minister ensure that it will deliver for British people, workers, businesses and consumers and will not diminish their hard-won rights and environmental protections?

Our great country deserves so much better than this fag-end Government and their uninspiring set of Bills which fail to address the fundamental issues facing the British economy. Labour has a radical vision for an economy that works for the whole world. Regrettably, the gracious Speech is another missed opportunity from this Government, a half-hearted final throw of the dice by a Prime Minister with his back to the wall in the last chance saloon of a one-horse town at the end of the road to nowhere.

6.36 pm

**Lord Wakeham (Con):** My Lords, I enjoyed the speech of the noble Lord. I have not heard him speak before. As he said at the beginning of his speech, he has been here only about a year and I have not managed to speak in the House for quite a bit longer than a year because I have been in and out of hospital. I am now, I think, getting better, but I have my stick here in case I wobble while I am speaking.

It is interesting that when you are away from the House for a time after you have been here—in my case now, in both Houses, getting near to 50 years—you think about the things you got wrong rather than the things you got right. One of the most important sentences in the King's excellent Speech was that we should "make the difficult but necessary long-term decisions to change this country for the better".

I applied that to the time when I was Secretary of State for Energy, some 30 years ago, when I privatised the electricity industry. I can forget about the things we got right; I think about the things that have not been quite right. At the time, I remember the tremendous difficulties we had and the things we had to abandon. We wanted to include nuclear power, but we were simply not able to do it because nobody could tell us what it cost to close a nuclear power station, so that was out of the question. Secondly, looking at more recent days, it is quite clear that the arrangements we then made for wind power have not really stood the test of time; I think that has to be looked at again.

The new Secretary of State therefore has two important areas to oversee. I would like to see nuclear power given a substantial revival and I would also like to see wind power. She also has to look at the wider question. One report by the Economic Affairs Committee of this House, of which I was chairman for many years, wrote about how it is thought that the economic growth in the world for the rest of this century will mean that the standard of living in the underdeveloped parts of the world will rise to the point where it will be very near the levels of the developed world. Of course, that will produce great wealth; it will probably stop people wanting to emigrate to other countries as much as they did; it will do all sorts of things and it will also add to the problems of global warming. There are some massive challenges to deal with in the years to come.

What we have probably not developed enough in the world is solar power. There is more to do. I was reading the other day, for instance, that 60% of the facilities for global solar power are in Africa and that they produce 1% of the solar power in the world. There is a lot to be done. We will go through a difficult time in which, I am pretty certain, fossil fuels will gradually die out in the end, although not as quickly as some people want. A lot of things in this world will be great for my grandchildren, let alone my children. I am delighted to be back.

6.40 pm

**Baroness Blake of Leeds (Lab):** My Lords, it is a pleasure to follow the noble Lord, Lord Wakeham, and to welcome him back to the House.

The gracious Speech will have been followed by many to understand how the Government intend to bring much-needed relief to those struggling with the cost of living crisis and the grave reduction in our public services. Those of us focusing on energy and the delivery of net zero are, I am afraid, faced yet again with a massive missed opportunity and real disappointment at the announcements made.

I am taken back to the introduction of the Energy Bill—now Act—in July 2022. While it undoubtedly brought in improvements, the overwhelming reaction was disappointment. The measures left out would have made a real difference to people's lives, such as the means to develop a substantial retrofitting programme, the ability to move at speed to deliver community energy schemes or the ability to move at pace to increase the introduction of onshore wind schemes. It was such a waste, with the subsequent crises in the

affordability of energy prices and in energy supply, and therefore security, made so much worse by the conflict in Ukraine.

The Offshore Petroleum Licensing Bill does not provide the ambition this country needs. As the Secretary of State has admitted, it will not deliver lower energy bills for consumers—a shocking admission by any standard—so we are left asking who will benefit. Could it be those oil and gas companies already in receipt of record profits? Surely, now more than ever, the focus should be on what is right for the future prospects of this country. This is not a time to follow through on policies attempting to achieve division by political point-scoring. What message does it give to the world that the Government's flagship policy is encouraging fossil fuel development?

The impact on the economy must be taken very seriously. We know that the damage to our international reputation as a leader in the field of climate change has consequences. The lack of a coherent plan to deliver against our climate objectives has caused consternation among our business leaders and those responsible for attracting inward investment. We have already seen the lack of interest in developing new offshore wind approvals. Now we learn that the slight encouragement given to those wishing to deliver onshore wind has failed to deliver any new investment proposals at all. The competition for investment from the United States and Europe in particular poses a real threat to our viability in these areas.

The tragedy is that there are alternatives, as outlined by my noble friend Lady Smith of Basildon in the debate responding to the gracious Speech last week. Speaking about what government can and should be doing to be a force for good, she highlighted innovation and enabling and encouraging investment. She went on to outline what Labour would do in government to achieve a successful green economy, such as establishing a national wealth fund to invest in battery gigafactories and clean steel plants and setting up a publicly owned GB energy company to improve procurement, speed up green transition and make us a global leader in clean energy. Labour's mission is to make the UK a clean energy superpower, boosting jobs and investment for all across the UK.

We have heard much reference to the future prospects of our children and young people across our debates on the gracious Speech and to how they are being let down. An ambitious transition to clean energy would deliver thousands of skilled jobs across all our regions and nations and an ambitious nature recovery plan would offer hope for the future and help deliver our net-zero targets—missed opportunities again.

Right now, the reality is that 6 million households are heading into this winter facing fuel poverty. We have the worst-insulated housing stock in Europe and, as a consequence, an estimated 31,000 children aged four and under being admitted to hospital each year due to respiratory viruses and more. The personal cost to children is unimaginable, the loss to the economy staggering and the impact on the NHS impossible to calculate. I hope the Minister can assure us that the Government will focus on solving the problems we face, although I somehow doubt that we will receive the comfort we look for.

6.46 pm

**Baroness Bennett of Manor Castle (GP):** My Lords, last week the Hackney mayoral election saw the Green Party candidate, Zoë Garbett, take 25% of the vote, finishing second. On a rough calculation, my noble friend Lady Jones and I have about 0.5% of the time available, so here I go on economy, transport, energy and the environment.

On the climate emergency, I could just cross-reference the noble Lord, Lord Stern, and the noble Baronesses, Lady Hayman and Lady Sheehan. The Copernicus Climate Change Service has found that, following exceptional October temperatures, it is now virtually certain that 2023 will be the warmest year on record. Social media is full of climate scientists with graphics showing just how out of control our climate is. At current levels of emissions, the world has six years left before we bust through 1.5 degrees. Do the Government understand that?

The UN Environment Programme report on the discrepancy between the planned fossil fuel production of Governments around the world finds that they collectively plan to produce 110% more fossil fuels than is consistent with the 1.5 degree limit in 2030. The UNEP says there is

“no evidence that the UK government is actively winding down oil and gas production”.

Well, quite.

Local environmental questions are perhaps for our new Environment Secretary. I am sure he has great interest in these issues, although I have not found any evidence of that online. The Government appear to have promised two steps that demand primary legislation: a ban on the sale of horticultural peat by 2024 and UK ratification of the global oceans treaty. Can the Minister say whether the Government have taken into account the environmental principles in all the Bills in the King's Speech, given that there is now a legal duty on Ministers to have due regard to the environmental principles policy statement? The Minister is from the Treasury; this applies to it as well.

I have two points on transport. First, in introducing this debate, the Minister repeated the fiction of the “war on the motorist”. To take just one comparison, we are actually talking about the burden on the bus user. According to Office for National Statistics data, the cost of travelling by bus has risen 30% more than the cost of car travel since 2014, the bus being used primarily by the poorest in our society.

Secondly, in responding, perhaps the Minister could tell me if she stands behind the briefing given by an unnamed government source that the first models of self-driving cars could be offered to motorists in the UK by 2026—if they are proved safe. Does she agree with me that that reflects the pie in the sky thinking that is shot through the announcements and actions of this Government?

Finally, I will use the Government's favourite phrase, employ some “long-term thinking” and reflect on the speech of the noble Lord, Lord Livermore, who opened for the Labour Party. The noble Lord focused on tax generally being high and blamed the poverty of the many and the terrible destitution affecting so many households, particularly those with children. As the

right reverend Prelate the Bishop of Durham highlighted, some 1 million people are suffering from destitution. Labour's answer to this is the magic of growth, implying a return to historic levels that very few can see in our future. That means, however, that if we do not tackle the distribution of wealth, those who are living on crumbs now will get only a few more crumbs.

I came into the Chamber for this debate from a session titled “the economic common-sense case for taxing wealth as well as work”, run by groups including Patriotic Millionaires UK, the APPG on Anti-Corruption and Responsible Tax, and Tax Justice UK. It highlighted how the 50 richest families in the UK have wealth worth more than the bottom half of the whole population. That is 50 families versus 33.5 million people. I suggest that the Labour Party think harder about who is and who is not paying tax and the need for the redistributive effects of a wealth tax in our society.

6.51 pm

**Lord Hain (Lab):** My Lords, it is always a pleasure to follow the noble Baroness, especially on climate change and environmental issues. In October, the Institute for Fiscal Studies summed up the UK's prospects as “darkening” and the growth outlook as “poor”. IMF data shows that in the 14 years before the 2008 global financial crisis, most of which was under Labour, UK productivity rose at an average annual rate of well over 2%. However, in the 14 years following the financial crisis—and most of that was under the Tories—productivity only improved at a measly average annual rate of less than 0.5%.

The stand-out factor for this worsening economic performance is our pathetically poor rates of investment, both public and private. According to the IMF, between 2010 and 2022, UK investment as a share of GDP was the lowest in the G7, and UK savings were far below even that, leaving the UK highly dependent on foreign capital. A Resolution Foundation study in March 2023 found that Britain's public investment is in the weakest third of OECD countries. Had Britain matched the average OECD rate of public investment over the past 20 years, it would have been a massive £500 billion higher. This long-term failure to invest in our healthcare, housing and transport services is the reason why Britain has fewer hospital beds per person than all bar one OECD economy, and why the British spend more time commuting to work than all bar two other OECD countries. That is a pathetic record.

Andy Haldane, former chief economist at the Bank of England and now the director of the Royal Society of Arts, has noted that as well as being too low, UK public investment levels are far too volatile—witness the Government's HS2 shambles. The planned increase in public investment announced by the Boris Johnson Government in 2020 was later cut following the Liz Truss disastrous mini-Budget. Rishi Sunak's Administration is now planning for public investment to fall as a share of GDP in each of the next four years, reversing most of the increases announced three years ago.

Resolution Foundation economists calculate that setting public investment at a stable 3% of GDP—about £75 billion—would boost UK economic growth by nearly 1% per year over five years and stay within the



debt rules accepted by both Front Benches. The Government's present plans, however, envisage public investment dropping from £74 billion this year to only £62 billion in four years' time.

The independent National Infrastructure Commission agrees that decades of inadequate infrastructure investment have held UK productivity back, singling out public transport, home heating and insulation, and water networks as all being in urgent need of renewal. It recommends extra public investment of £30 billion per year, plus at least £40 billion per year from the private sector. More than an extra £30 billion per year of public investment might have been recommended, but for the restrictive remit set by George Osborne when he created the commission in 2015.

I am afraid that everywhere we find evidence of Tory economic failure, we also find George Osborne's fingerprints. His austerity policy, continued under Philip Hammond, drastically curtailed UK economic growth, triggering a severe slowdown in the rate of increase in British productivity and a standstill in real household living standards. Over 80% of the Tory spending cuts fell on public sector budgets, equivalent today to slashing public spending by a colossal £180 billion—more than the total of NHS spending in England this year.

A decade of Tory austerity has inflicted huge self-harm on Britain's public services, with the Institute for Government finding eight of nine public services performing worse now than before Covid. Hospitals and courts stand out, with waiting lists for hospital treatment at 10 million and a backlog of nearly 90,000 court cases. The Government's spending plans mean that however bad the plight facing Britain today, the outlook after 2025 is even worse—unless, of course, Britain is saved by a Labour Government, which we all should hope for.

6.56 pm

**Baroness Noakes (Con):** My Lords, there is predictably little in the gracious Speech on the Government's economic policies, other than a reference to the Government's focus on increasing economic growth. I know the Government believe in growth, but sadly I have often struggled to reconcile this with their actual policies. I am, however, an optimist and I am looking forward to next week's Autumn Statement. I hope it will set out some clear policies to support a healthy and growing economy. I will be looking for three things: lower taxes, less regulation and a smaller state.

First, a high-tax economy is not a healthy economy. The current tax burden is around 37% of GDP. This Parliament is on track to be the biggest tax-raising one since the Second World War, higher even than that of the first term of the Blair Government. Thirty years ago, the UK was several percentage points below G7 and EU levels of tax, and we are now broadly on a par with them. If we look at the economies that are growing rapidly, we rarely find them carrying that level of taxation.

Our corporation tax headline rate of 25% is quite simply anti-growth. No amount of relief for R&D or investment will change this, because headline rates are often a deciding factor in major investment decisions.

The 25% rate is the key driver of the UK plummeting down the international tax competitive league tables. This year, we are 30th out of 48 OECD countries. For corporation taxes alone, we have fallen 17 places in the last year. This is shocking. We certainly cannot tax our way to economic growth, but the depressing thing is that our current corporation tax policies are doing the exact opposite. Our personal taxes are no better. In the last three years, frozen tax rates and thresholds have pulled around 4 million more people into the tax net and 1.6 million have moved into higher tax brackets.

The Government's addiction to fiscal drag means that as many as one in five taxpayers will be paying the higher income tax rates. Very high marginal rates around the thresholds exacerbate this and create perverse incentives. Lower tax rates do not have to result in lower tax yields, as my late noble friend Lord Lawson of Blaby demonstrated when he was Chancellor. Low rates liberate the economy and higher activity, and that drives higher tax yields.

My second area is less regulation. We may have taken back control from the EU, but we have done little to relieve regulatory burdens, especially on SMEs. Big businesses love regulation, because it acts as a barrier to entry. We need to smash those barriers down to unleash the growth potential in our smaller businesses. The Government and their quangos need to get serious about deregulation, especially in the SME space.

Thirdly, we need a smaller state. The size of the Civil Service is shocking. Having wrestled the numbers down to around 385,000 in 2016, the numbers have gone back up again to around half a million. Quangos employed nearly 320,000 people in 2020, up nearly threefold since 2008. What on earth is going on? The public sector needs to stop doing things. Cancelling the white elephant of HS2 was a good start, but there is much more that needs to be done.

At some point, the Government, whichever party is in power, will have to face the fact that the NHS monolith needs serious reform. It eats up around 40% of day-to-day government spending and it has an insatiable appetite for taxpayers' money, but it does not deliver a world-class health system. Even the British public are starting to realise that their precious NHS is letting them down.

I conclude with energy. I have been much encouraged by the Government's new pragmatism on vehicles and on gas boilers, as well as by the announcement in the King's Speech that there will be more licensing of oil and gas fields. Energy policies need to be affordable today or they will undermine our economic growth ambitions. It is time to get real and take net zero off its pedestal.

7.02 pm

**Baroness Whitaker (Lab):** My Lords, the gracious Speech reaffirmed the Government's commitment to net zero, but without much detail. May I fill some of that gap by advocating more action from the Government on wave energy? I declare that I am completing a fellowship in wave energy for the IPT and I am a member of Peers for the Planet. I am also grateful to Richard Arnold of the Marine Energy Council for factual information.

[BARONESS WHITAKER]

The Intergovernmental Panel on Climate Change says that waves are the world's largest untapped energy resource. Our Science and Technology Committee encouraged development as long ago as 2001, with a positive response from the then Minister, my noble friend Lord Hain. Our abundant, vigorous waves are more predictable than our wind and sunshine. Since wave energy is seasonal, mostly available over the winter, its use fits well with demand. It is estimated that just over 12 gigawatts of wave and tidal stream energy would save the UK £1 billion in energy system costs, as this would avoid the expensive generation and storage we would otherwise need in our future dependence on intermittent renewables. Research has supplied various working models, which I have seen in our universities.

The Energy Minister, Graham Stuart—I think he is still the Energy Minister—told parliamentarians that there was no technical problem inhibiting commercial scale-up, so what are the obstacles? The private sector lagged behind. There is a national problem in the recruitment and training of mechanical engineers. Later Governments did not help, and it was only some EU schemes that filled the gap. We cannot rely on the market to innovate when the benefits may be long-term. Underpinning by the state has a crucial role. For instance, costs would also be saved by co-locating wave and wind energy. Research projects on combining wind and wave sites can apply to UK Research and Innovation for funding, as the noble Lord, Lord Callanan, has said, so why not a government pilot scheme to demonstrate the advantages? We need technology stimulus as well as market pull strategies.

Had the Government stepped in, some estimate that an increase in the technology learning rate of 10% to 15% could have reduced the total investment needed for wave energy to deliver over 6 gigawatts by 2050 from £20.5 billion to £3 billion. This could still be done if the schemes were introduced now. There are many sites for development off our western coasts. What discussions will take place with the devolved Governments, particularly in Scotland, where the biggest wave resource is? Only Wave Energy Scotland has seized this opportunity for funding.

The Government's scheme, contracts for difference, has finally included wave energy, but as it has not received any support for development, it is more expensive than other technologies for the time being, so a ring-fence is needed. We need a better consent process. Consent is required for a project for over 1 megawatt for marine energy to be eligible to bid for a contract for difference, unlike onshore wind, where the ceiling is 50 megawatts. However, this can take up to four years, often longer. I heard much concern about this when I visited research sites. The EU target is three months.

Tide and wave energy are put together, obscuring the relative paucity of wave energy support. It needs its own category. The Government are consulting on this subject. Where have we got to? Will there be assistance in capacity building for the consent process? We are being left behind. CorPower in Portugal has started exporting wave energy to the grid. In the USA, the Senate in California unanimously passed a Bill to support wave and tidal energy, and the EU funded the Saoirse project in Ireland with a share of £250 million.

Finally, the government-funded Supergen reports by Edinburgh University have set out in detail really significant opportunities to increase clean growth substantially through adding tidal stream and wave energy to the renewables mix. I commend them to the Minister, and I implore the Government not to waste the potential of one of our strongest national assets in hastening the abandonment of fossil fuels, in which we could still, with support, be a world leader.

7.07 pm

**Lord Londesborough (CB):** My Lords, I will focus on the economy, in light of the Prime Minister's rather baffling introduction to the King's Speech where he states that "Our vibrant economy", which has "turned the corner", makes investors "excited about what the UK has to offer".

As an entrepreneur and investor in SMEs—I declare my interests as set out in the register—I must beg to differ. Our economy is flatlining. GDP is stuck at around £2.3 trillion and has barely moved in the last three years, whatever ONS revisions the Government cling to, and the outlook is for minimal growth.

Our GDP generates some £900 billion in tax receipts for the Government, which, for an ageing nation of 67 million people and a finite workforce, is simply not enough to run public services and invest in infrastructure—HS2 being a case in point—let alone meet the unknown costs of achieving net zero. Our tax burden is now at the highest level since the Second World War, but tax receipts remain arguably some £100 billion per annum short of the nation's needs. There is no scope for increasing taxes, and the costs of servicing our national debt are spiralling.

The only way out of this is to generate real economic growth—to be specific, 2% to 3% annual GDP growth over a period of five years. Overall, that would add about £250 billion to economic output and, crucially, generate an additional £100 billion per annum in tax receipts. That is the big picture, so let us have an honest appraisal of our economy—or, as the noble Lord, Lord Bridges, put it, full disclosure—identify the opportunities, set out ambitious targets and be fully accountable for them; in other words, take an enterprising approach. That requires a laser-like focus on boosting labour productivity—output per hour—which is fundamental to achieving sustainable growth.

We keep referring to the productivity puzzle but do little to solve it. When the Prime Minister claims that our economy is recovering at a faster rate than France and Germany, he misses the point entirely. Our productivity lags significantly behind those two countries and has done so for decades. I suggest that we cut the hubris and perhaps learn from our neighbours—and learn also from leaders in the private sector who champion the productivity of their workforces. They talk a language we rarely hear in Parliament: that of performance culture. They focus on the critical areas that turn the productivity dial: recruitment, training, incentivisation on performance, management and leadership. We are deep in the fourth hour of this debate and I am the 37th to speak, but no one has mentioned even one of those items.

I have time to touch on only one of those areas: management. We have 8 million managers in the UK workforce, yet 70% of them are deemed accidental managers, having received no proper training to develop the skills required to lead their teams effectively and productively. That begs the uncomfortable question: are we a nation of poor managers?

Take football's Premier League, which has become very big business. How many of the clubs finishing in the top three places over each of the last 20 years have been led by an English manager? The answer is zero—not one. In the other major leagues of France, Italy, Germany and Spain, those nations' managers have accounted for more than 30 of the top three places over those 20 years. In that time, not a single British manager has led a top-three club in any one of those countries. Is that a trivial, anecdotal example? No, it is symptomatic of a country that invests too little in its human capital—in education, training, skills and management in both public and private sectors. This is hugely important for productivity but gets far too little attention. Can the Minister say what plans the Government have to develop a coherent plan and strategy for workforce productivity, and when will we see it?

7.13 pm

**The Lord Bishop of St Edmundsbury and Ipswich:**

My Lords, it is a great pleasure to speak in this debate on His Majesty's gracious Speech, even if I find myself, at this stage, unlike the previous speaker, echoing many of the points made and being at variance with points that others have made. I draw attention to my entry in the register of interests, particularly as president-elect of the Suffolk Agricultural Association.

I congratulate the noble Lord, Lord Gascoigne, and my right reverend friend and neighbour the Bishop of Norwich on their maiden speeches; I look forward to their future contributions to this House. When the diocese of St Edmundsbury and Ipswich was formed out of the dioceses of Ely and Norwich in 1914, the coastal town of Lowestoft remained part of the diocese of Norwich, so I am pleased to welcome another Bishop serving the glorious county of Suffolk to this House.

In my own maiden speech, given after Her late Majesty's final gracious Speech, I noted with gratitude the Government's aspiration that the United Kingdom be a global leader in responding to the challenges of energy security without compromising our response to the climate crisis. I continue to applaud the Government's desire for the United Kingdom to be a global leader in tackling climate change, but it is my fear that the current direction of travel risks us losing this position as a global leader.

The King's gracious Speech expressed a hope that we could encourage other countries to improve on their climate commitments, and it is indeed commendable that the UK has the fastest reduction in emissions in the G7, granting us the authority to be seen as a leader in the field. I believe that we should encourage others to be more ambitious with their own targets, rather than scaling back our own.

While fossil fuels continue to have a place in our energy transition to net zero, there is limited evidence that proposed new offshore petroleum licences will

have any impact on UK energy security or customer bills, or themselves aid our transition to net zero. UK oil and gas production has reduced by almost 75% over the past couple of decades, so the direction of travel is clear. It is this direction—away from fossil fuels—that we need to invest in wholeheartedly if we are to secure energy security.

Our net-zero transition requires us to move quickly to invest in new technology and renewables, while also preparing our infrastructure and homes to work within the new energy landscape. That requires focus on and investment in not only renewable energy but the surrounding technologies, such as energy storage and transport, and readying homes to be heated through electricity only.

At a time when cost of living pressures are so high and more than 3 million Britons—earlier I heard the figure was 6 million—find themselves in fuel poverty this winter, it is disappointing to see that the Government do not intend to require landlords to improve the energy efficiency of rented homes. The poorest are often in accommodation that is badly insulated, if at all. The scrapping of plans for landlords to upgrade their properties will mean that many continue to pay higher energy bills for longer. Leaving the timing of these important improvements up to landlords risks leaving more people in fuel poverty for longer.

As a Bishop for a largely rural county and president-elect of the Suffolk Agricultural Association, I have a great interest in the future of farming and in developing sustainable methods of food production and food security. I support the ELMS, although I believe that even more needs to be done to support farmers in accessing those funds. Following the recent floods, I am concerned about the vulnerability of farmers and many in our rural communities to the impact of severe weather. I want to ensure that we continue to mitigate the risk and impact of flooding on farmers, businesses and homes. The impact of the recent floods has been devastating to many; some 750 homes were flooded in Suffolk.

I will end on a personal note. My even nearer neighbour, the Bishop of Dunwich—listen to his title—was flooded out of his home and has spent the last few weeks living with me. I have refrained, out of pastoral sensitivity, from pointing out that his home is now sharing the fate of the rest of his see.

7.18 pm

**Lord Razzall (LD):** My Lords, as a number of noble Lords have found, the debate on the gracious Speech provides the opportunity to comment on the current state of the British economy without having to comment on specific proposals. Notwithstanding the Minister's brave attempt in his opening speech, and the Prime Minister's remarks, I agree with the noble Lord, Lord Londesborough, that few can doubt that our condition is parlous. Although we may have just avoided a technical recession, we are bumping along at the bottom with little prospect of growth. Commentators now even predict that in 10 years there will be six major trading entities—China, India, the USA, Japan, Russia and the EU—and we will play no significant role.



[LORD RAZZALL]

I fear it is now appropriate, today of all days, to quote from Kipling's "Recessional", written in 1897:

"The tumult and the shouting dies;  
The Captains and the Kings depart ...  
Far-called, our navies melt away ...  
Lo, all our pomp of yesterday  
Is one with Nineveh and Tyre!"

I fear that is us—and that the noble Lord, Lord West, who is not in his place, will never get the ships he requires.

Notwithstanding our parlous position, the right wing of the Tory party consistently calls for tax cuts, believing, as the noble Baroness, Lady Noakes, said—although she did not describe it as such—in the Laffer curve, which has never been shown to work. But why, in 13 years of government, have the Tories not reformed the tax system to raise revenue in a growth-friendly manner? The noble Lord, Lord Forsyth, sadly not in his place, produced ideas in 2006 to reform our tax system which have not been implemented.

No one could deny that the tax system itself is a structural mess. Take the major revenue-raising taxes. The VAT system has numerous exceptions and zero-rated items and is a mess. We have two different personal taxes in income tax and national insurance running simultaneously, with strange marginal tax rates for individuals. In addition, business taxes have been on a rollercoaster. Corporation tax was reduced to 19% but is now back to 25%. Why have the Government not sorted out this mess? It is significant that the Government have even recently abolished the Office of Tax Simplification.

Instead of calling for reform of the tax system, many Tories such as the noble Baroness, Lady Noakes, cling to the idea that there is now £20 billion of room for tax cuts in the short term. In the short term, this is because the budget deficit for the first six months of the fiscal year is £19.8 billion lower than the OBR March forecast. However, the deficit is still £15 billion higher than the corresponding period last year, when on the way to a full-year outturn of £128 billion, which is 5% of GDP. No: in my view, advocates of tax cuts should listen to last year's speaker at the Mais lecture, who said:

"I am disheartened when I hear the flippant claim that 'tax cuts always pay for themselves'. They do not. Cutting tax sustainably requires hard work, prioritisation, and the willingness to make difficult and often unpopular arguments elsewhere. And it is hard to cut taxes at a time when demands on the state are growing".

That was not a left-wing economist or a member of the Liberal Democrats or the Labour Party. It was Chancellor Sunak—and I hope Jeremy Hunt is listening.

7.22 pm

**Lord Davies of Brixton (Lab):** My Lords, we have had presented in the gracious Speech a Potemkin village of a legislative programme: facades with no substance, performative legislation driven solely by the Prime Minister's perception of short-term and shoddy political advantage. Others have and will deal with the egregious examples of poor and ill-considered legislation in the Speech. For myself, I am particularly concerned about the proposed Economic Activities of Public Bodies (Overseas Matters) Bill, but I will save

my remarks on that for Second Reading, other than to emphasise my strong opposition. That is what is in the speech. I want to highlight some of the matters that are missing from the Speech, which ought to be there if we had anything like a serious Government.

First, and most importantly, although technically it does not come under the heading for today, is the mental health Bill. It is shameful that it has not appeared. It was in the Government's manifesto and was agreed all-party as a matter of high priority, and yet the Government cannot afford the time to put it before the House. I am particularly pleased therefore that my Front Bench in the Commons earlier today announced that it would be a Bill in the first Session of a Labour Government.

More relevantly but also important is the absence of the audit Bill. What explanation can the Front Bench provide for the absence of that Bill? BEIS announced in May last year that there would be an "audit regime overhaul to help restore trust in big business".

It said:

"Government will revamp the UK's corporate reporting and audit regime through a new regulator, greater accountability for big business and by addressing the dominance of the Big Four audit firms".

That is so important but not important enough, apparently, to justify a Bill this Session. Not that I would necessarily agree with everything in the draft Bill, but these issues need to be dealt with. In this context I need to declare an interest as a fellow of the Institute and Faculty of Actuaries, as the draft Bill includes provisions to regulate the profession.

Lastly, there is no sign of a pensions Bill, so all attention goes to the Chancellor's Autumn Statement. The focus here is on the so-called Mansion House proposals, with the presumption we must take that the Government can achieve all they wish without legislation. My noble friend Lady Drake has already addressed the issues and problems that are faced, and it may well be true, but it is not as if in the area of pensions more does not need to be done. The lack of a pensions Bill suggests not so much that the Government have run out of ideas but that they have run out of Pensions Ministers, with Laura Trott's move to the Treasury.

We are looking for leadership here on important policy issues such as collective defined contribution schemes, defined-benefit superfunds, the value for money framework, small-pot consolidation and, not least, the dashboard. Even without a Bill, these issues need to be addressed, and the chopping and changing of Pensions Ministers leaves the pensions industry in despair.

7.27 pm

**Lord Warner (CB):** My Lords, as a number of people have said this afternoon, the UK has an economy that is flatlining, with high debt, high taxes and little fiscal headroom. I want to speak this evening about making better use of public expenditure, an issue totally ignored in the King's Speech.

First, I will address an old favourite: adult social care, which Boris Johnson promised to fix within a year back in 2019. After a few financial handouts to local government, the Government have given up on fixing social care's workforce, funding and organisational

problems, so we continue to burden families unfairly, load unnecessary costs on to the NHS and leave patients marooned in expensive acute hospitals.

Secondly, our failing NHS is spending an ever-increasing proportion of GDP. The Prime Minister indulges in a fantasy that he can fix things by pledging again to cut the NHS waiting list backlog, transforming the NHS with a long-term workforce plan and passing new legislation to curb smoking. The new anti-smoking Bill is well intended but will take years to have much impact, and the backlog has increased to over 8 million people since Rishi Sunak first promised to cut it. The workforce plan arrived in June, a decade too late, NHS doctors have not stopped strikes and the King's Fund has pointed out that the workforce plan has no measures for retaining disgruntled NHS doctors and nurses now being tempted by attractive offers from aggressive American and Australian recruiters.

The NHS now faces an existential crisis seemingly unrecognised by our Prime Minister. Thankfully, the Treasury has stepped in and refused to give NHS England all the extra funding it is seeking despite having been given £20 billion more than pre Covid. McKinsey has now been called in to find out why NHS productivity is so poor. The Prime Minister must wish that he had not ignored the advice of Sajid Javid, who, when he was Health Secretary, called for radical NHS reform because it was financially unsustainable.

The NHS remains an inefficient ill-health service, dominated by costly acute hospitals and neglectful of community services. Women are getting a particularly raw deal, with two-thirds of England's maternity units rated as substandard by the Care Quality Commission. Obesity and other lifestyle diseases continue to kill people prematurely, with public health disgracefully underfunded. The public are voting with their feet and increasingly using the private sector for diagnosis and treatment.

Thirdly, there is the burgeoning problem of mental ill-health, which has been referred to, and its impact on families and the labour market. Over 12% of sickness days absence are attributed to mental health problems. The King's Speech promises

"expanding and transforming mental health services".

This is difficult to take seriously when there are over 1 million patients waiting for mental health services and 10% of consultant psychiatrist posts are unfilled. That is about 600 posts. As has again already been mentioned, the legislative programme contains no updated mental health Bill, despite promises in the 2017 and 2019 Conservative manifestos.

It is not just health and care that test the credibility of the King's Speech. I do not have time to go into the housing market promises not being implemented, or the rather crazy idea that we need tougher sentences for serious offenders when we have a record high prison population and only 500 spare places. Where are the extra prisoners going to go? Perhaps we will have another prison ship.

Lastly, I turn to the Government's problems with life sciences, which the Prime Minister has said are going to be world-beating. In fact, the UK currently has the highest tax in Europe for clawing back money from pharmaceuticals sold to the NHS: 27.5%, compared with 12% in Germany. This results in large companies

like AstraZeneca making new investments in medicines research and manufacturing facilities outside the UK, with the consequent loss of research jobs here in the UK. A new claw-back scheme is being negotiated at present for 2024. If he wants to protect the UK economy, Rishi Sunak now needs to get his hands dirty and ensure that the new scheme secures some competitive advantage for UK plc.

7.33 pm

**Lord Faulkner of Worcester (Lab):** My Lords, I will speak about Britain's railways and in doing so remind the House of my interests as chair of the Great Western Railway stakeholder advisory board, president of the Heritage Railway Association and co-author of three books on railways and politics which attracted favourable reviews from Members of your Lordships' House, two of whom I am happy to see in their place this evening.

It is now well over five years and four Secretaries of State since Keith Williams was asked by the Government to conduct a rail review. He came up with a set of practical proposals which formed the basis of a White Paper in May 2021. It had the makings of a cross-party consensus which could survive a change of government. A transition team was set up and much work was done and expense incurred in preparing for fundamental changes on the railways, which were necessary because the franchising model was broken.

We were repeatedly promised legislation "when parliamentary time permits" to give statutory backing to the central proposal to establish a new body—Great British Railways—to provide a guiding mind over the railways' various operations. Given how light on legislation is the gracious Speech, there would have been ample opportunity to introduce a short and largely uncontentious Bill in this final Session; or to pick up the suggestion I put to the Government on 12 July that the powers given by the Deregulation and Contracting Out Act 1994 would have allowed the Secretary of State, by means of a statutory instrument, to delegate some or all of his franchising powers and get Great British Railways up and running. But these opportunities have been lost, and all we are promised is a draft Bill. Failure to get GBR running means that the costs of operating the railway will continue to be higher than they need be, and the Treasury will go on strangling revenue growth, with the DfT micro-managing virtually every operational decision taken by the train operators.

Despite their best intentions, the civil servants struggling to cope with this situation frankly do not have the capability or capacity for this work. The management of the railways must return to the professional railway men and railway women whose hands have been tied by the present arrangements of annual contracts and whose expertise has been ignored for far too long.

Despite this negative background, growth and passenger demand is back. While business travel and commuting numbers are still down compared with those before Covid, leisure travel is booming and trains are full again, particularly on routes such as the east coast main line and Great Western. New figures from Hull Trains published last week showed a very strong recovery in journey levels, with 28% more people now travelling with that operator than before the pandemic.

[LORD FAULKNER OF WORCESTER]

This is good news, of course, as it is helping to reduce the need for car travel and flying, and thus is reducing the carbon footprint of these travellers. But please can we hear no more of the “war on motorists”, which I was surprised to hear the noble Lord, Lord Callanan, mention in opening the debate, and on which the noble Baroness, Lady Bennett of Manor Castle, poured scorn in her speech. We should remember that from May 1999 to July 2022, the cost of motoring fell by 19% compared with inflation, as measured by the RPI. Rail fares over the same period rose by 31%, and bus and coach fares by 102%.

Getting juggernauts off the roads should be a major priority. A reduction in lorry miles through the transfer of trunk haul to rail is necessary if our 2050 net-zero targets are to be met. Capacity is the constraint, and the abandonment of HS2 between Birmingham and Manchester is a huge setback, as it would have released train paths on the classic railway for the increase in rail freight which is required if these targets are to be met. The HS2 decision and the lack of ambition in attracting new business reminds me that we are in danger of returning to the days of the 1970s and 1980s, when the railways were told to plan for managed decline. The biggest opportunity for rail to play its full part as a sustainable part of the national transport network is therefore at risk of being delayed for many years or even lost altogether.

There is still much good will and affection towards our railways—although, sadly, not in all parts of the Government. Shortly, we will hear about the plans for the celebrations to mark the 200th anniversary of the first passenger railway, between Stockton and Darlington, which are being led by the noble Lord, Lord Hendy of Richmond Hill. This will help rekindle a national sense of pride, but it is deeply disappointing that rail did not rate a higher priority in the gracious Speech.

7.39 pm

**Viscount Waverley (CB):** My Lords, the economy will rightly be centre stage as we approach the general election, so the King's Speech and the upcoming Autumn Statement need to act as a catalyst for international trade and attracting FDI, with both being the engine room of the national economy. We live in a changing world, however, where the new world will increasingly come alongside the old, presenting opportunity but challenges.

I refer the House to my declaration of interests. Digitalisation and technological advances are examples of positive advances. The enabling benefits of electronic trade documents and the provision of financial instruments, particularly for mid-sized SMEs from those emerging markets, will bring heightened competition in international exports. Increased compliance in mandatory supply-chain transparency and the increased risks associated with supply chain disruptions will further challenge us.

I preface further remarks by acknowledging that the UK brand is held in high regard globally. However, adhering to antiquated practices is not a blueprint for success. I am sorry to say that in many a quarter there is palpable unease about current governmental

intervention, with some decrying unhelpful meddling. To succeed internationally we must actively engage with the priorities of others, recognising the significance of cultivating trust and giving due regard to an emphasis on local context.

I was uncomfortable, therefore, when a PM's trade envoy at a recent pan-Africa conference that I attended could muster only a narrative centred around “we in Britain”, rather than adopting a more fitting approach of, “I have come to listen, to understand your continental vision and priorities and how we can contribute to your aspirations”. The global messaging should be that of a new, innovative, centrist, forward-thinking United Kingdom, at ease with itself and contributing with all the experience that we have, to promote a world of equitable coexistence. That is key.

The intervention by the envoy led to a distinguished African diplomat underlining passionate concerns about the UK's historical involvement in slavery and African asset-stripping—a poignant point that should not be dismissed lightly. I note that Lloyd's of London is promoting racial equality causes after a research project determined its significant role in the transatlantic slave trade. I listened with keen interest to the noble Baroness, Lady Moyo, who is not in her place, particularly in relation to the BRICS grouping, to which can be added economic regions from the Asia-Pacific, Africa and Latin America. However, closer to home, when EU neighbours signal with an olive branch, at least we should have the courtesy and pragmatism to listen, reflect and not be dismissive with an out-of-hand Brexiteer ideological dismissal. The Foreign Secretary should remember that continental partners deeply regret not contributing more when he went cap in hand to Brussels. In the aftermath of such reflections, I have relinquished my role as founder and co-chair of the Trade and Investment APPG.

Nothing short of a comprehensive root and branch reform of the UK's export promotion strategy and that of multipliers in promoting UK excellence is required, in a way that some will find difficult. It is that of a changed mindset, with genuine collaboration with the private sector being key and the Government's role being singular—to create conditions that empower all facets of bilateral and regional relations to thrive, then to step aside and allow seasoned professionals to navigate the intricacies.

I returned from Tashkent last night, where I had assisted in the opening of the British Management University, on a visit that coincided with the Presidents of Italy and France on separate bilateral visits. Can the Minister give some assurance that the age-old problem of access into Downing Street and ministerial diaries will be properly addressed and that we will see many more state visits to support the international trade agenda? It would be appreciated by all.

I had hoped to put forward a raft of thoughts for consideration, but I will leave it there and hope that in the not too distant future we will have the opportunity to properly scrutinise government performance and advance informed thinking, including advocating for a formal review of the role of UK-based chambers of commerce and the relationship with overseas BritChams, and how best to strategise on global SME access and co-operation in emerging markets where the real



opportunities lie. These and the role of the regions within the United Kingdom are examples of where urgent review is required, fulfilling the mantra of a global rather than an insular Britain.

In conclusion, responding to the set of challenges from the noble Lord, Lord Londesborough, and to many other noble Lords who have spoken today, why do we not establish a rolling scorecard system to monitor progress by this and any future Government, to include, for example, comparison with other countries' performances?

7.45 pm

**Lord Jones (Lab):** My Lords, it is a pleasure to follow the always insightful noble Viscount, Lord Waverley.

On rail, huge interest has been shown in north Wales in the Prime Minister's conference pledge to invest £1 million in the north Wales coastline. Will the Minister repeat the guarantee that this money shall be forthcoming? To spend well on the north Wales rail system, we must urgently have money to formulate the business plan. How will this be done and when? Also, the north Wales coastline is a vital economic artery from the cross-border city of Chester to Holyhead, Anglesey. Please, modernise Chester city station as soon as possible. Are there sufficient funds for this modernisation?

The helpful chair of Transport for the North, the noble Lord, Lord McLoughlin, and the supportive Mayor of Liverpool have sought investment in the Liverpool-Wrexham rail line, especially from English Bidston to Welsh Wrexham. Will the Government please move this on? It is a priority in Wirral and north Wales. The interim report from the commission led by the noble Lord, Lord Burns, has marked up these issues. Our Growth Track 360, so well led and chaired by Councillor Louise Gittins, has the goal of cross-border connectivity, with the emphasis on rail. The Prime Minister's pledge at conference will help this on.

On energy, Trawsfynydd and Wylfa have distinguished historic pedigrees in the production of nuclear power for Britain. Both are dormant now. I would like both localities to be rewarded for their undoubted excellence in the production of vital power. I ask the noble Baroness the Minister to state what specific plans the Government have for these locations. Shall there be small modular nuclear reactors at Trawsfynydd? Is it the case that Rolls-Royce is considering a prototype there? Do the Government have plans to encourage the building of a standard reactor at Wylfa, or will there be SMRs there? Are American companies looking at SMRs there? Can the Minister please give information? There is but speculation on these issues.

Trawsfynydd and Wylfa are far flung from traditional industrial locations. There are few skilled, well-paid jobs in north-west Wales. It is not fair to expect hard-pressed communities to exist on the tourist industry alone, good though it is in the lovely landscape of Wales, which is my homeland. Can the Minister spell out and summarise where the Government stand as far as Trawsfynydd and Wylfa are concerned, at the wind-up or by letter? If we go the SMR way, why not build these units at the extensive Welsh industrial

facility at the giant industrial park at Deeside or in the lee of the advanced manufacturing centre alongside Airbus UK's giant facility in Flintshire in north-east Wales?

I conclude by congratulating the noble Lord who has the name of a great English soccer forward and the right reverend Prelate the Bishop of Norwich on their magnificent maiden speeches.

7.49 pm

**The Lord Bishop of St Albans:** My Lords, I declare my interest as president of the Rural Coalition as set out in the register. That means that I want to reflect for a few moments on the environmental and rural dimensions of some of the legislation that will be coming our way over the coming year.

I will make a couple of preliminary comments. Back in 2015, His Majesty's Government responded to the independent rural-proofing implementation review by the noble Lord, Lord Cameron of Dillington. Among the recommendations was that

"Defra Ministers should work with Cabinet Office to strengthen and improve rural proofing guidance when the impact of policies is being assessed, to ensure that rural policy impacts are given clear and robust attention".

It is clear to many of us in the Rural Coalition, and many Members of your Lordships' House who have a particular interest in rural life and rural industry and economy, that many policies and Bills are still not being properly rural-proofed. Some 9.6 million people live in our rural areas. It is vital that we attend to this dimension of legislation as it goes through Parliament.

The second general point I want to make is that Section 17(5) of the Environment Act 2021 introduced the five principles that would

"protect and enhance our environment and preserve England's unique natural assets, all within the context of building resilience to biodiversity loss and the effects of our changing climate".

This legally binding commitment needs urgently to be applied to each Bill we debate in the next Session to ensure that we consider the environmental impacts of proposed legislation that comes before your Lordships' House.

I want now to make some brief comments on three of the Bills in the King's Speech, one of which strays briefly into the themes of another day of this debate. The first is the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill. Our domestic agricultural sector is world leading. While welcoming the UK's membership of the CPTPP, I believe it is essential that UK farming is not disadvantaged or weakened. We must use this opportunity to drive up standards in other countries and not allow our standards to drop to theirs. In particular, we urgently need a better and more accurate system for food labelling, especially with regard to country of origin. For example, meat products should be shown as British only when the livestock has been born, fattened and slaughtered here.

Secondly, I welcome the animal welfare (livestock exports) Bill, which will stop the export of livestock for fattening and slaughter once and for all. Although livestock is not currently exported for this reason, in the past many animals were in transit for long periods,

[THE LORD BISHOP OF ST ALBANS] which caused unnecessary suffering. It is also well documented that some overseas abattoirs to which they were taken do not have the same high standards that we provide in the United Kingdom. I congratulate His Majesty's Government on the announcement some months ago of a fund of £4 million for smaller, more local abattoirs in this country, which will also be a more humane way to treat our livestock. This is especially important as the number of small abattoirs in the UK has declined dramatically over recent years.

Finally, I will say a few words about the tobacco and vapes Bill, which I warmly welcome. I am very supportive of the aims of that Bill. Other Members of your Lordships' House have already noted that there is a problem with around 5 million disposable vapes being used each week in the United Kingdom. Each of those vapes has a battery which uses metals such as copper and lithium. The Green Alliance has estimated that enough lithium has been disposed of to create 5,000 batteries for electric cars. Surely there is a powerful argument for a complete ban on the sale of disposable vapes here in the UK. I expect that Members of your Lordships' House will plan to bring amendments to that Bill as we seek to focus it and make a real improvement as we take it through.

7.54 pm

**Lord Altrincham (Con):** My Lords, I declare my interest as a director of the Co-operative Bank in Manchester. I will make some comments on infrastructure investing and financial regulation.

The gracious Speech emphasised the importance of making long-term decisions, reducing debt and investing in energy. It went on to refer to the importance of investing and attracting private sector investment into renewables. In opening the debate today, the Minister reminded us of the importance of private sector investment to make that possible. The noble Lord, Lord Livermore, made the same comment for the Opposition, in particular referencing investment in the gigafactory project and a sovereign wealth fund investment project, which would attract up to three times the amount of public capital from the private sector. Both sides of the House support attracting private sector investment. That will become extraordinarily important given what has happened to government finances.

Unfortunately, renewable energy needs a lot of help. It is not just that the recent wind farm licence round did not work out—perhaps that was a one-off and the Government made some mistakes—but that the two largest wind farm operators in the world, Ørsted and Siemens, are in quite a bit of financial difficulty. In fact, they were running into financial difficulty at the same time as the gracious Speech.

Ørsted, by the way, runs 12 huge wind farms around the UK—one is out in the Thames estuary, in the *Riddle of the Sands* area. It said that its problem is not wind but interest rates. The problem we are running into is that these investments are very capital heavy and the decisions to make them were taken at a time when capital was very cheap. This is an enormous change for the Government, because renewable infrastructure inevitably rests on rates that are close to

zero. As capital has repriced, many of those projects are no longer possible without a good deal of government help.

The other side of the equation is making more capital available from the private sector. The clue to that is in the financial services Bill that we have just passed. If it is successful, it may free up bank, private sector and asset manager equity to invest in the UK. We are all familiar with the possibility that legislation may be passed but that it may be ineffective, not be actionable and ignored or go out of date very fast. However, the Financial Services and Markets Act achieves accountability to Parliament for the regulators. This is a very important step which means that, in bringing back rules from Brussels, the regulators are not uniquely in a position to decide how to regulate. As your Lordships know, regulation has been somewhat cautious and there has been a gold-standard approach.

There will be accountability to Parliament and there will be two parliamentary committees—I will come on to that—which roughly replicates the kind of regulatory supervision that exists in Brussels; the ECON committee in Brussels supervises financial regulation quite effectively. Unluckily, the House of Lords made a recent approach to have a Joint Committee with the House of Commons, but we were rebuffed. It may be that we should not have asked, but the House of Commons' committee will go ahead and ours needs to get going quickly. It needs to get going quickly because there needs to be a change in private sector investment in the UK and it is becoming rather urgent. A lot of the promises that the Government are making, our own expectations and often those expressed in this House rest on unleashing private sector investment.

That change would be a rebalancing away from looking at financial services regulations just through the lens of prudential regulation in favour of an underlying sense of growth, competition and promoting the wider good of the economy. It would be like the regulatory environment in Singapore, which allows for the growth of Singapore but also refers to and understands that without economic growth there are other risks to the economy and to the Government. We are perhaps running into those risks at the moment.

In supporting what is in the gracious Speech and the Government's plans—and perhaps the next Government's plans—we should get on with our own committee to look at financial regulation as quickly as possible. I wish the committee godspeed.

8 pm

**Lord Grocott (Lab):** My Lords, I should apologise in advance for what inevitably will be rather gloomy remarks, the first half of which will be something of a howl of frustration at the cancellation of the Manchester leg of HS2. The second will be a litany of my failure to get any sensible answers from the Government as to what is being done by way of compensation.

On the frustration: what is it about this country and major infrastructure projects? I remind the House that the first London to Birmingham railway was mooted in 1830, rejected by the Lords in 1832 but started in 1833 and finished in 1838. How did they do it, with

picks and shovels? We are 14 years since the first iteration of HS2 and we will be lucky if the truncated railway is finished in 25 years in total.

What is it about this country in comparison with so many other major economies across the world? These are the countries that have dedicated high-speed lines either in existence at the moment or in the course of construction: in Europe, Belgium, France, Germany, Hungary, Italy, the Netherlands, Spain and Switzerland; outside Europe, China, India, Japan, Morocco, Saudi Arabia, South Korea, Taiwan, Thailand, Turkey and the USA. I am sure the list is longer than that. What do we know that they do not know? They all have successful high-speed lines.

Being someone who tries to look on the bright side, I have made some attempt to find out something about what the Government intend to do by way of compensation for this blow that they have landed on the Midlands and the north of the United Kingdom. I asked the Government about costs. I was told that £36 billion would be saved by the cancellation of this link, but I wanted to know how much money has so far been wasted, so I made the mistake of asking a Parliamentary Question, which simply asked

“how much money has been spent to date on the Manchester leg of HS2”.

I got this reply from the Minister:

“Spending up to and including February 2023 was reported in the Department’s last HS2 report to Parliament in June 2023. Updated figures will be provided in the Department’s next six-monthly report”.

In other words, “Look it up for yourself, mate”.

I did get something—a little, largely negative—from the Government’s document *Network North*, which is supposed to spell out the various compensatory rail schemes that might now go ahead with the money that has been “saved” from HS2. It is a very misleading document. It is entitled *Network North*, and at one point it explains that a new station will be built at Tavistock. Geography was never my best subject at school, but how that fits into a document entitled *Network North* I do not know. But I read the document, which said that

“every pound that we save from not proceeding with further phases of the scheme will instead be reinvested in hundreds of transport projects ... far more quickly”.

So I made the mistake of asking another Parliamentary Question. It had this reply, which must go down for the next episode of “Yes Minister”. It says about further schemes:

“Officials are in the early stages of planning, including delivery timelines and estimated costs, for these schemes and are working closely with Network Rail”

and others to develop them. It continues:

“All schemes will be subject to the development and approval of business cases and will undergo all formal governance, in line with relevant fiscal and legal duties”.

In other words, if you are looking for a railway to be built, do not expect anything quickly from the Government. This was to be delivered “more quickly”—those are Rishi Sunak’s own words in *Network North*.

I try to be of a sunny disposition, so I will give the Government the chance to put these things right by asking them about a couple of the schemes listed that

I know about; I invite every Member of the House to ask about ones they know about. Paragraph 63 of *Network North* says that we will reopen the Leicester to Burton line—that has been a possibility for a long time—and Stoke to Leek. What is the estimated cost of reinstating these two railways? What is the timeline for delivering them, bearing in mind the Government’s clear promise in *Network North* that these schemes will be delivered more speedily than the cancelled Manchester leg? On that attempt at being optimistic, but not with much hope, I close my remarks.

8.06 pm

**Viscount Trenchard (Con):** My Lords, it is indeed an honour and a privilege to have this opportunity to debate the gracious Speech, delivered last Tuesday by His Majesty. I thank my noble friend Lord Callanan for his comprehensive introduction to this day’s debate. I also congratulate my noble friend Lord Gascoigne and the right reverend Prelate the Bishop of Norwich on their excellent maiden speeches.

I know that I should not dwell on the trade Bill, which permits our accession to the CPTPP, but I believe our accession will have a positive effect on the economy and that it is therefore appropriate to mention it in today’s debate. As many noble Lords are aware, Japan is the largest economy in the CPTPP. Its Government have been strongly encouraging us to apply for accession for five years for geostrategic reasons, as well as to build on our bilateral comprehensive economic partnership agreement, which already provides a framework that should enable an increase in our trade with Japan. That trade and the economy will also receive a boost from our trilateral joint project, together with Italy, to develop and build a sixth generation fighter jet.

I believe that the Government’s recognition of the need to strengthen the UK’s energy security should also lead them to take advantage of an extremely attractive opportunity to collaborate with Japan and mitigate the huge disappointment that resulted from the cancellation of both Hitachi’s Horizon nuclear power station project at Wylfa, which would have provided 2.7 gigawatts of generation capacity, and Toshiba’s NuGen project at Sellafield Moorside, which was to have created 3.4 gigawatts of additional capacity. The opportunity is provided by Japan’s need to find an international partner to commercialise its high-temperature gas-cooled reactor technology. The UK was identified as Japan’s chosen partner for this more than four years ago, but the Government have put it on the slow train by classifying it as an advanced modular reactor, along with several other technologies that are still on the drawing board or at an earlier stage of development. This technology’s demonstrator has been running for more than 10 years in Japan and is inherently safe.

The gracious Speech heralds the introduction of the Offshore Petroleum Licensing Bill, which I welcome. However, the best and cheapest way to achieve energy security without unduly burdening families and businesses is not to spend more and more on subsidising wind projects, both offshore and onshore, the subsidies for which account for a growing proportion of our increasingly unaffordable electricity bills. The best way to provide much-needed relief to struggling households and businesses is to increase very substantially the



[VISCOUNT TRENCHARD]

future target of 24 gigawatts of nuclear generating capacity by 2050. That figure needs to be double or more. Why can we not be more like France in this regard? Great British Nuclear's remit needs to be widened to encompass our total energy requirement, rather than just the electricity grid.

I am disappointed that there was no mention of our financial services industry, and no commitment to a smaller state and lower taxes, both of which are desperately needed. The Financial Services and Markets Act enables the Government to take advantage of our freedom to introduce a more agile, less cumbersome regulatory regime to restore competitiveness and growth to the UK's financial markets. How do the Government intend to achieve that? There is no time to lose, as was well illustrated by my noble friends Lord Bridges, Lady Noakes and Lord Altrincham in their powerful speeches.

I welcome the Government's commitment to invest more in our gallant Armed Forces. I hope my noble friend will explain in her winding-up speech how the rather lacklustre programme outlined in the gracious Speech will bring about the desperately needed growth and investment in the economy.

8.11 pm

**The Earl of Glasgow (LD):** My Lords, I was deeply depressed when the Government announced they were abandoning HS2—or at least, it seems the most important part of their purpose, anyway. It was always a bold and exciting enterprise, allowing increased capacity to the lines going north and bringing the major northern towns closer to London. It was a challenging and expensive project, but one that I thought totally worthwhile. I have long believed that half our transport problems would be solved by having a comprehensive and efficient railway network, and HS2 could have been seen as the flagship.

Now, for a number of complicated reasons, mainly rising costs and incompetent management, the Government have decided they can no longer afford the new route to the north and will keep only the least important of its features—the high-speed train between London and Birmingham. Apparently, in exchange for that, the money saved will be used for improvements to existing lines in the north, something we had already been promised anyway. Maybe I am forlornly hoping that this scrapping of HS2 is only a temporary postponement and not the final death knell of the whole project. Maybe it can be revived when the Government's financial position improves, or when we have a better Government.

In the meantime, though, we must not sell back the land already bought from landowners to establish the proposed new railway line. All we have achieved, or will have achieved, so far from this whole fiasco is a slightly quicker trip from London to Birmingham and back. The northern towns are no closer to London than they were before. Maybe we could achieve something by building a railway that affords slightly less speed than originally intended.

I would like the Government's assurance that they have not completely abandoned the original intention

and plan of HS2, but if they have, it will rightly be seen as an embarrassing engineering failure and another example of the country's further decline.

8.13 pm

**Lord Hendy (Lab):** My Lords, 67 million people live in the United Kingdom. Of them, 35 million, just over half, are workers—30 million employees and 5 million self-employed. In the King's Speech, the Government offer them nothing, except the prospect of agency strike-breakers and regulations requiring workers to break their own strikes.

On 9 November, the International Labour Organization governing body considered the mass sackings at P&O Ferries last year. It called on the Government to engage with unions and employers to review the legislative prohibition on sympathy strikes, and to ensure an adequate and efficient system of protection against acts of anti-union discrimination. Will the Government comply?

Noble friends have mentioned that in 2019 we were promised an employment Bill. The noble Lord, Lord Callanan, has told us many times since that the Bill would be introduced “when parliamentary time allows”. We now know that there never will be parliamentary time before the next election.

The real issue facing working people, and the overwhelming majority of the rest of the population who depend on them, is rising prices and falling wages. The real value of wages has not risen since 2007. The nominal median earnings for full-time employees were £682 a week in April this year: £34,963 gross—an increase of 6.2% compared with April the previous year. However, the ONS tells us that that nominal increase actually represents a fall in the real value of earnings of 1.5%. Self-employed median earnings are significantly less than for employees. Today's report from the Resolution Foundation, *An Intergenerational Audit for the UK*, shows that those born in the late 1980s earned on average 8% less at age 30 than their counterparts born 10 years earlier.

The ONS's use of the term “median” means that half our full-time employees earn less than £35,000 a year. Few in this Chamber, including me, could live on that figure, let alone less. A report published on 8 September by Professor Padley and Dr Stone of the Centre for Research in Social Policy at Loughborough University calculates that in 2023 a single person needs to earn £29,500 a year to have an acceptable standard of living and a couple with two children need to earn £50,000 a year. They estimate that no fewer than 19.2 million people, 29% of the UK population, are living in households with an income below those minimum standards. Among these 19.2 million are those on the so-called national living wage. The total annual salary for such a person working 37.5 hours a week is £20,375 a year, which is 70% of the Padley/Stone minimum standard for a single person and 41% of the minimum for a family.

It is not surprising that the Joseph Rowntree Foundation's latest report *Destitution in the UK 2023* shows that around 3.8 million people, 1 million of them children, are not able to meet their basic physical needs of staying warm, dry, clean and fed. The UN

special rapporteur on extreme poverty and human rights pointed out last week that the UK is accordingly in breach of its international legal obligations.

I do not diminish the significance of raising the national minimum wage or enhancing pensions and social security, but there is only one way to raise wages significantly and that is by extending collective bargaining, as a recent directive in the EU and legislation in Australia and New Zealand propose. This is the solution that the OECD has been advocating in its annual employment outlook since 2017. I ask finally, without a glimmer of hope, that the Minister will consider with social partners not just the conclusions of the ILO, to which I referred, but the means by which collective bargaining coverage can be extended by law, as the Labour Party has undertaken to do.

8.19 pm

**Lord Balfe (Con):** My Lords, it is always a pleasure to follow the noble Lord, Lord Hendy. I think he is misplacing his hope if he thinks the Labour Party is going to do much—but we will let him live in hope. From time to time, I do a bit of lecturing. One of the subjects I lecture on is British politics, and occasionally I point out that the Conservative Party is the most successful party in the world. From time to time it loses elections and then reinvents itself. In the past, of course, everybody has sat there feeling rather smug and thinking, “Yes, we are in government”, but I say to my good and noble friends on the Front Bench, if they still are my friends, that we are soon going to have do a bit of reinvention by the look of things, because the state we are in is somewhat dire.

Part of the problem is quite simply this: there is no longer room for incentive and aspiration among the group of people who create the wealth of Britain. I see my noble friend Lord Callanan sitting there and he knows who I will mention: the huge army of trade unionists who run middle Britain. They are people with degrees who work hard, go to work every day and create the wealth of this country. I am afraid my party still does not seem to have come to terms with the fact that the average trade unionist today is a middle-aged woman with a professional qualification—the days of the old working-class TUC are gone—and these people are leaving the Conservative Party behind because they do not feel that incentive and aspiration are being looked to.

I shall just point out one or two things. If the higher rate tax threshold, 40% at £50,271, had increased with inflation, it would be £55,340. Every year, roughly 1.6 million people move from the lower rate into the 40% rate, and they do not see that as an incentive. Also, people who get to £50,000 find they lose their child benefit. They find they have a tax rate of around 60% between £50,000 and £60,000—but the children still need feeding. I know much is said in this Chamber, rightly, about the plight of the poor; but there is a middle group, which Theresa May characterised as “just managing”. They are just managing, but they are not managing to feel very happy with a Government who do not appear to want to help them earn a bit more money.

I will also give another challenge to the Government: in 2006, George Osborne promised an overhaul of inheritance tax. Our Government—and the Labour Party, for that matter—think, “Oh, not many people pay it; it doesn't matter”. But there are millions of people in middle-class housing, in middle age, who are looking forward in a grim sort of way to inheriting the wealth of their parents, and we are doing nothing about it. If you want to do something, I say to the Government, “Do it now”—because I do not think Labour will do much.

My final point is that we need a strategy for the public schools. If Labour imposes VAT on public schools, they will not go bankrupt; they will be full of foreign children, as they increasingly are at the moment. We will have another large increase in migration as the children—with their mummies—come over and fill the places, and that will be a cause, again, of great resentment. So I say to both sides of this House, “Think of middle Britain and the people we need to innovate. Think of Harold Wilson and the way that he stirred middle Britain into action. For goodness' sake, we all love the poor, but let's start doing something for the wealth creators”.

8.25 pm

**Baroness Ritchie of Downpatrick (Lab):** My Lords, it is a pleasure to participate in this debate on the gracious Speech. In particular, I want to refer to the measures relating to the Offshore Petroleum Licensing Bill and their direct relevance to the environment and climate change. I think it is a measure of regret that the Government have found it necessary to bring forward the licensing Bill to legislate for something that usually happens on an annual basis, when many other things are needed, including a determined policy and legislative programme to deal with the impact of climate change, with the provision of many mitigations, including investment in the economies of flood-stricken areas accompanied by flood-alleviation measures.

It must be stated that the UK's ability to rise above petty politics, to decarbonise our society and lead the fight against climate change, has made us the envy of many of our allies in the past. I believe we should not squander this but, if the Government are intent on this course of action with this Bill, the public will determine the future of it at the forthcoming general election—and I hope that that will result in a Labour Government.

The decisions on climate change mitigations and ongoing decarbonisation and adaptation are issues that affect people now and into the distant future in terms of the economy, commerce and our way of life. Over the last number of weeks, we have witnessed unprecedented levels of rainfall, resulting in heavy floods in Britain and Northern Ireland, which have impacted on businesses, communities, homes and the social economy sector. In Northern Ireland at the end of October—I raise Northern Ireland because it is where I live but also because it is where the NIO has intervened—we faced the full force of that rainfall where, perhaps, flood defences were not capable of dealing with the deluge. We saw climate change in action.

[BARONESS RITCHIE OF DOWNPATRICK]

One example of this was my home town of Downpatrick on the east coast of Northern Ireland. We witnessed floods that decimated businesses and left the local Asda store—which is an anchor store for the town's and region's economy—closed for the foreseeable future. Downpatrick has not witnessed such floods for a long period of time. A barrage was built on the local river in 1957; questions are rightly now being asked about whether our flood defences are adequate or need to be upgraded in light of climate change.

I know that we are built on a flood plain. Last week, I asked the noble Lord, Lord Caine, a Minister in the Northern Ireland Office, to come to Downpatrick. He agreed to do that; he came on Thursday afternoon and met a large number of business representatives who told him about how their business, commerce and way of life had been decimated. But he knew, and noted, that they were highly resilient, wanted to start up again and needed financial assistance. Now £13 million has been allocated to Northern Ireland in reprofiled expenditure from the underspend in Northern Ireland departments.

But I say to the Minister—I have already written to her about this, and she acknowledged me at the weekend—that the Treasury needs to look at additional financial measures for the planning and implementation of flood alleviation schemes. If we are really trying to build economies and our society, we have to look at how we tackle climate change adaptation and deal with these particular measures.

My town of Downpatrick has a population of some 12,000. I noted that, while the people were resilient, they were quite downhearted at the same time. There is another point to take on board: Newry, which is in the same district council area as Downpatrick, has super-output areas in terms of deprivation, with the third highest level of super-output areas within the 100 most deprived areas in Northern Ireland. I hope the Minister will give that matter some attention in the longer term with her colleagues in the Treasury to see what help can be given to such beleaguered communities to build commerce and economic development in the wake of climate change.

8.30 pm

**Lord Liddle (Lab):** My Lords, never in the last 40 years has there existed a bigger gap between the grim realities of our present national economic situation and the fantasy world that the Government, from their pronouncements, appear to live in. The Prime Minister declares that inflation is down, the economy is growing and debt is set to fall. The Prime Minister may meet his target of halving inflation, but the fact is that it is stubbornly higher than in the United States, France and Germany; the cost of living for millions, now dependent on food banks, continues to rise; and interest rates are going to stay much higher for longer than the Government think. Economic growth is, at best, at a snail's pace; the Bank of England thinks there is going to be no growth at all for the next two years. As for debt falling, that is based on projections of public spending and borrowing that the Institute for Fiscal Studies regards as completely unrealistic,

given the demographic pressures on our public services and the clear breakdown that exists today—and those projections are going to get even worse if there are tax cuts in the forthcoming Budget.

The fact is that the cumulative hangover from the 2008 banking crisis, Brexit, Covid and Liz Truss has put into reverse the catch-up in living standards that this country enjoyed in the years of John Major's and Tony Blair's premierships. Last week, the ONS produced figures on total factor productivity, which is the main driver of living standards. Under Major and Blair, total factor productivity rose by no less than 27%, but since 2007 it has grown by 1.7%.

Future historians are going to regard these 13 years of government as wasted years of destructive populism, when successive Governments failed to build patiently and constructively on Britain's great strengths: our universities, our scientific pre-eminence, our technological opportunities and our massive creative strengths. There has been no building on them. Business investment has flatlined since 2016—remember what happened then, by the way. Britain stagnates while we have a City of London in decline, a hospitality sector unable to recruit the European workers that it needs, retailers desertifying our town centres and a construction industry that is failing to build the homes that our families need. Just on housing, we will see 250,000 housing completions this year—not enough—and this is estimated to fall next year to 151,000. There were supposed to be 144,000 housing starts this year, but the figures for election year are 70,000. What a record of failure this is, and an incalculable cost to many families.

We need new policies for growth—a modern industrial policy—but this has to be applied with consistency and discipline. We need the comprehensive planning reform that Michael Gove had to abandon because of Conservative Back-Bench pressure. We need a government drive for more apprenticeships, which have gone down under the present Government. We need reformed further education colleges—a real vocational ladder of opportunity. And we need a much better trading deal with the European Union than the one that the noble Lord, Lord Frost, negotiated.

I have just rejoined our Front Bench as a transport spokesman, and I am grateful to the noble Baroness, Lady Smith, for this. It takes me back to the department where, 47 years ago, I first started as a special adviser. Transport is a vital part of the growth agenda, as the noble Lord, Lord Birt, explained. A principal reason for our poor economic performance in this country is the huge and growing gap between our city regions in the north and Midlands and in London and the south-east. It is far bigger than in other European countries, and the lack of transport investment plays a major role when it comes to connectivity with London and within and between the city regions. We must change course and do better than this, and I am confident that a Government led by Keir Starmer will.

8.36 pm

**Lord Sarfraz (Con):** My Lords, I congratulate the right reverend Prelate the Bishop of Norwich and my noble friend Lord Gascoigne on their superb maiden speeches.



To meet our economic ambitions, as laid out in His Majesty's most gracious Speech, we will need to source critical minerals from all over the world. Whether it is tungsten or gallium in defence, or tantalum in medical devices, at least two dozen minerals are highly critical for the British economy. There is no path to net zero without them: wind turbines, solar panels, hydrogen fuel cells and EV batteries all contain critical minerals.

We will probably be able to source some quantities domestically, such as lithium from Cornwall, but the geology of the United Kingdom means that we will be hugely dependent on international markets for a long time. Other countries are after the same materials that we need, and they have aggressive sourcing strategies in place. The Chinese strategy is well known: they will invest right through the life cycle; they will fund high-risk exploration; they will fund mine development, which costs billions of dollars; they will build the domestic processing and logistics infrastructure required; and then they will sign a 30-year offtake agreement. But it is not just the Chinese; for many years, many other countries have had upstream strategies in place. The Middle East has its sovereign wealth funds, the Japanese have JOGMEC and the South Koreans have KORES. How do we compete with that? We do not have a sovereign wealth fund or a state-owned mining company, and we have no ability to guarantee offtake.

The Government have laid out their critical minerals strategy, but the end-users in industry do not think it goes far enough. Our strategy must be strengthened. We need to build emergency stocks, which might be held overseas, otherwise we will end up panic buying, as we did with PPE. We will need to work with our allies and partners to strengthen our buying power. We alone have very limited market share and thereby little influence. We will need a state-owned entity to be the buyer of last resort. We have precedents such as the Low Carbon Contracts Company, and we should not be shy to apply similar models to critical raw minerals from overseas. Most importantly, we will need to ensure, with full transparency, that we source sustainably and ethically. This is where we can better direct our existing resources, whether it is BII, our ODA allocations or our newly appointed Foreign Secretary. We must also continue to leverage the fact that London remains a global hub for mining companies. Doing nothing is not an option.

These industries are cyclical and, when supplies are short, prices will go up, which will mean higher prices for British consumers. In some instances, entire factories will shut down, as we saw during last year's semiconductor crisis. So I hope that the Government might consider much bolder steps in sourcing critical minerals, which are literally the basic building blocks on which our economic and technological future depends.

8.39 pm

**Lord Sikka (Lab):** My Lords, a sustainable economy requires high investment and good disposable income for the masses. The Government have failed on both counts. The OECD's data shows that, despite low inflation, corporation tax and interest rates since 2010, the UK is almost the lowest investor in productive

assets; it is ranked 35th out of 38 OECD countries. There are two major reasons for this, and neither is addressed in the King's Speech.

First, until the late 1970s, the state directly invested in industry and emerging technologies, such as aerospace, biotechnology and information technology, especially as the private sector showed little appetite for long-term risks. The entrepreneurial state has been replaced by one which guarantees corporate profits, as evidenced by privatisations, outsourcing and corporate subsidies, typified by the £45 billion handed to privatised rail companies in the last five years. Did they invest in Crossrail or HS2? No, none of that. Yet the Government skimp on direct public investment: investment into HS2 has been axed; roads are full of potholes; schools and public buildings are crumbling; and NHS England has 2.3 beds per 1,000 population and is on that basis ranked 23rd of 24 European countries. So there are plenty of opportunities for public investment, but there is nothing in the King's Speech to suggest that the state will return to its entrepreneurial role.

Secondly, low disposable income of the masses is a disincentive for long-term investment by the private sector. Who will buy goods and services, even if we produce them? With a government-led drive to cut wages, the average real pay is back to the 2007 level. Some 14.4 million people live in poverty. One in 20 people—that is, 3.8 million people—is unable to afford food or other basics, and half of those have a weekly income of less than £85. This mass exclusion from consumption cannot provide the basis for building a sustainable economy.

People's incomes are further eroded by the Government's inflation strategy. Everyone knows that corporate profiteering is the main cause of higher rates of inflation. The Government could have checked it with price controls, the break-up of monopolies, windfall taxes and selective taxes on those who have excess cash, especially given that nearly £1 trillion of quantitative easing has been handed to financial speculators. But no, they do not do that—instead, they attack wages and further deplete household incomes through higher interest rates.

People have been forced to hand more of their wealth to banks. In the first nine months of 2023, the big four banks have reported profits of £41 billion, compared with £23 billion for the same period last year. Huge bank profits have increased business and household costs and destroyed many SMEs. The Government have enriched bank shareholders and executives. This policy has increased inequalities and squeezed economic growth, because people simply do not have the resources to buy goods and services. Even worse, Ministers are saying that they will continue with this forced transfer of wealth from the poor to the rich. The Government have declared war on the poor.

There can be no economic renaissance without redistribution of income and wealth. The richest 1% have more wealth than 70% of the population combined. Just 50 families have more wealth than 50% of the population—but any mention of wealth taxes and the Government say, "Not us, we're not going to do this". Instead of taxing wealth, the Government have anti-worker policies. Wages are taxed at a higher rate than

[LORD SIKKA]  
capital gains, dividends and investment income. This needs to be rebalanced; we need to rebalance the tax system by increasing taxes on wealth and reducing taxes on work and the less well off.

This afternoon, I attended a meeting with the Patriotic Millionaires, which includes some of the country's richest individuals. They have openly urged the Government to tax them more heavily, so that inequalities can be reduced, public services can be rebuilt and we can have a just society. I hope the Minister will tell us why the Government will not listen to the richest and tax them more.

8.45 pm

**Lord Desai (CB):** My Lords, it is a privilege to follow the noble Lord, Lord Sikka, but unfortunately he has said some of the things I was going to say, so, as the 57th speaker, I will have to invent something new. Let me say this: I am more worried about the Autumn Statement than about the King's Speech, because the King's Speech has passed and we have all spoken on that. I worry about what is about to happen. I think there is a sort of madness in this Government who have been here for 13 years, that somehow the way to proceed is to give tax cuts to the rich and tax the poor. It is a very simple sort of logic any time you say something. You want investment? Give money to the businesses, forgive their taxes and investment will go up. Empirical evidence says that that is never the case: giving tax incentives to investors has never led to investment.

The nearest example is what George Osborne did during the 2010-15 Government. He made corporation tax cuts while giving no concessions to the poorer people, and investment did not increase, because we know there was no growth. Interest rates were low in those days: remember, we had historically one of the lowest interest rates from 2008 to 2020. Investment did not increase; productivity did not increase. People just pocketed the money and spent it on whatever they liked, but talk about anything in universal credit—you want to increase universal credit by £1? Suddenly, fiscal responsibility comes to you: we cannot have a deficit. If you give money to the poor, you will cause a deficit. If you give money to the rich, growth will occur. These are two fallacies on which we have built a really weakened and second-rate economy.

In a sense, it is interesting how things are very topsy-turvy. The Prime Minister wants inflation to come down, and I wish him luck, but he also has to realise that it was inflation and him not adjusting income tax limits to inflation which has got him the surplus that is about to be spent at the Autumn Statement. The room that we suddenly have for ourselves is actually due to inflation, and when inflation stops, the room is going to go away, so he had better be careful.

There is a serious rise in child poverty in this country, which is supposed to be one of the richest countries in the world, we are told—the numbers have been given by the noble Lord, Lord Sikka, and others—and we ought to be ashamed of this. However, all the time the discussion is: how can we abolish inheritance

tax? The poor rich people are worried about inheritance tax. The wealth creators need more money. Of course, the people who work do not create wealth, they just work. The wealth creators are people who do not work, who just hire people. I am sorry to be left-wing in these matters, but in a sense it is a perverse understanding of public finances and a perverse understanding of public welfare that have got us into this trouble.

Interestingly, nothing I have said does not have empirical evidence. If people want to see it, I can show them empirical evidence that tax cuts do not cause growth. After Nigel Lawson cut taxes—a great big historic moment in the Thatcher legend—we had a recession. I was here then; 1990 and 1991 were recession years. In the Autumn Statement, please do not cut taxes.

8.50 pm

**Lord Horam (Con):** My Lords, I congratulate my noble friend Lord Gascoigne on his maiden speech. He and I come from the Ribble Valley; he will know, as I do, that they speak a lot of common sense in that part of Lancashire. We will hear a lot of common sense from him in future years. I am also delighted, as usual, to follow the noble Lord, Lord Desai, who is a very distinguished economist. I am a much less distinguished economist, but I have followed economics closely ever since I read it at Cambridge many years ago.

My view at the moment, sadly, is that the economic model that all Governments have followed since the Blair/Brown days is leading us badly astray. Gordon Brown rather let the cat out of the bag when he said that what drove economic growth in the UK was immigration and construction. That approach continued under the following Conservative Governments. Even now, Jeremy Hunt will say that 50,000 more immigrants will give him an extra 0.1% growth in GDP—at the moment, he needs all the fractions he can get. Even the Labour Party now subscribes to this orthodoxy. Sir Keir Starmer has said that Labour will build 1.5 million houses within the Parliament if it is elected and has clearly indicated that it will be more relaxed about immigration.

The problem with this approach is that it has serious downsides. Immigration is not a free good, as the Treasury appears to presume. On the scale we have recently allowed it—net more than 600,000 last year—it reduces the incentive to invest in skills and machinery, which is vital to productivity. The noble Lord, Lord Liddle, made the point about productivity; many economists have said that the reduced productivity over the last two years is in inverse relation to the amount of immigration. It also increases poverty and low wages among people affected by it. Immigration also adds to the demand for housing. Labour is promising 1.5 million new homes in the new Parliament, but it has been calculated that even 1 million would mean covering an area the size of Bedfordshire. How much of our green and pleasant land will be left to our children and grandchildren if we go on like this?

We should not go on like this. Fortunately, there is an alternative in the Far East. Countries such as Taiwan, South Korea, Singapore and Japan do not

rely on mass immigration and associated housebuilding. They have little or no immigration. They invest in the skills and machinery needed to make their existing populations more productive. Instead of focusing on the size of their economy—crude GDP—they look at GDP per capita, which measures the wealth of the country. They have gone in for the more productive kinds of manufacturing. Taiwan makes two-thirds of the semiconductors in the world; South Korea has nine times as many robots as we do in the UK; even Japan, which has long had a very unfavourable press in the West, now benefits from massive investment by Warren Buffett, the American investor. As a consequence, they are now richer than we are. Per head of population, Singapore is much richer than the UK and South Korea is nearly as rich. Taiwan is richer than the UK per head of population and even Japan is closing fast. Their approach works. They have even got to grips with the problems of an ageing population by extending the working life of ordinary people and using additional technology.

We need to look at this. We need to change. I sense that the Prime Minister may have a glimmering of this, since he said in his conference speech that we need to change from what we have been doing for the last 20 or 30 years. He was derided for saying so, but he has a point. One way he could tackle this is to form a small committee of economists and businessmen—rather like the US President's committee of economic advisers—and give them six months to come up with an industrial and labour force strategy that does not rely so much on construction and immigration. The Prime Minister has shown that he is prepared to take a refreshing view of his Cabinet and the people who work in government; he should now have a refreshing view of our policies.

8.55 pm

**Lord McNicol of West Kilbride (Lab):** My Lords, as commentators have noted, this King's Speech had the most words but fewest Bills in almost a decade. I will focus my short time on how the Government have failed to outline a long-term plan for the economy, transport, energy or the environment. What we need is precisely that: long-term decision-making to generate growth and inspire business and market confidence. In spite of current sloganeering, that is simply not what we are getting from this Government. Instead, we are seeing political posturing. Where the Government have looked to the future, they have acted only out of a narrow interest for themselves and their friends.

As we have heard across the House tonight, the King's Speech contains nothing to help people who continue to suffer the consequences of the cost of living crisis. It was a missed opportunity to offer hope and solutions to rebuild our industries and the communities that serve them. If the economy is working, as the Tories argue, it is surely working for the wrong people. On the same day, a fortnight ago, when the Prime Minister scrapped the cap on bankers' bonuses, it was revealed that the number of children in destitution has tripled in the last five years. As the noble Lord, Lord Desai, said earlier, we should be ashamed.

What the Government surely must understand now is that growth does not come from releasing the richest from any obligation—legal or moral—to society. Growth comes

when working people succeed and when, in partnership, all parts of society push for the same goal. To that end, government must use its position at the nexus of businesses, consumers and employees to fight for the fairest deal for everyone. Unfortunately, we simply do not see this leadership. It is no wonder, then, that both the British Chambers of Commerce and the Institute of Directors found this King's Speech lacking. When the country needs consistency and vision, we are given uncertainty and short-sightedness.

The Prime Minister's lack of control over his party may be amusing to some but not to businesses, trade unions and working people who need solidity and resolve. Only for one party is growth a strategy rather than a buzzword. That is why I am so glad that the next Labour Government will give businesses the certainty they need to invest, to hire and to thrive.

At a time when 3 million people in England alone find themselves in fuel poverty, action is something we urgently need. After inaction, with the Tories' eight-year ban on onshore wind hampering domestic energy production, I am happy that the next Labour Government will double onshore wind and green hydrogen, triple solar production and quadruple offshore wind capacity. We need leadership on energy security and the environment by lowering bills through GB energy and insulating homes as part of a green prosperity plan.

Delaying action on climate and delaying investment in green energy could increase national debt by billions. Sending mixed signals to the automotive and emerging industries does not make us a world leader, it makes us a laughing stock. The path to growth lies not in kicking the climate challenge can down the road but in investing and in building. For the sake of British businesses and working people up and down the country, I say call an election now. Let us see who the British people really think has the solutions.

In some ways, I am glad that the Government have tried to use this King's Speech to set dividing lines between the parties, as I believe and hope that the British people have had enough and will see through the shallow self-interest. If it has ever been felt that time for change is here, it is now.

9 pm

**Baroness Bloomfield of Hinton Waldrist (Con):** My Lords, I join the House in congratulating my noble friend Lord Gascoigne on his excellent maiden speech. I draw attention to my entry in the register of interests regarding my role as an independent consultant at Terrestrial Energy, a Canadian Generation IV nuclear technology company, and as a founder member of Legislators for Nuclear. It will not surprise noble Lords that my short contribution today will concentrate on the role that nuclear can play in achieving secure, cost-competitive decarbonisation, through the production of hydrogen, process heat, sustainable fuels and flexible electricity. I say to the noble Lord, Lord McNicol: it is about as long-term as it can get.

The King's Speech referred to energy security, and indeed policy has developed rapidly in support of nuclear deployment, on which the Government should be congratulated, not least as it draws global attention to the UK as a place to do business. As my noble



[BARONESS BLOOMFIELD OF HINTON WALDRIST] friend the Minister outlined, and as acknowledged by the noble Lord, Lord Ravensdale, the Government have achieved many milestones: the launch of Great British Nuclear; the appointment of a dedicated Minister for nuclear; the setting of a 24 gigawatt target for new nuclear by 2050; the nuclear financing Act, incorporating the RAB model; the inclusion of nuclear in the hydrogen business model; and the inclusion of nuclear as an energy input for the production of renewable fuels in the renewable transport fuels obligation.

Perhaps even more exciting have been the developments in the fusion sector, with the new Fusion Futures programme with government funding of £650 million aiming to demonstrate commercial viability by building a prototype STEP fusion power plant at West Burton. This STEP project will, as part of the UKAEA, not only seek collaboration between the public and private sectors, which is already accelerating, with companies such as First Light Fusion, Tokamak Energy and General Fusion occupying space alongside the UKAEA at Culham, but internationally, building on the UK's strategic advantage in science and technology. Most importantly, it will accelerate breakthroughs in fusion technology, not just in the physics but in the engineering and material sciences. The UK shall also lead the development of international fusion standards and regulation while seeking to protect the UK's intellectual property and significant competitive advantages. We are indeed seizing these opportunities with zeal, focus and good sense.

I do not wish to sound ungrateful, but it is frustrating that there is so much more to be done in parallel with all the above, to unlock the opportunities for advanced modular reactors, technologies which do not yet have a champion within government, and which are therefore in danger of being orphaned. While I welcome the forthcoming government consultation on AMR routes to market, we need a greater sense of urgency if we are to unlock the many benefits that a greater focus could yield. GBN and the 24 gigawatt target are aimed predominantly at Generation III water-cooled SMR technology, with all six technologies advancing to the next stage being SMRs. The welcome focus on fusion given recent exciting developments is the sole preserve of the UKAEA, as indeed it should be.

AMRs are the next generation: Generation IV. They encompass novel cooling systems and new advanced fuels. They offer additional functionality that has the potential to be game-changing in the fight to decarbonise our power-hungry industries and heat and transport sectors. In addition, the development and manufacture of new enriched fuels that AMRs will need represent a golden opportunity for export, while securing our own home-grown supply. AMR development and an advanced fuels industry will generate vast economic benefits for the UK. Technology vendors from as far afield as South Korea, Poland, the USA and Canada are keen to deploy in the UK, and we need to develop the supply chain of both human capital and manufacturing to take advantage of these opportunities to produce growth in all the regions of the UK.

In due course, and with the approval of government, it is hoped that MOX—mixed oxide—fuel may be manufactured from the nuclear waste in Sellafield,

turning this hugely expensive liability into a long-term strategic asset. Using MOX is a well-established practice in France, and the IAEA has long recognised that reusing plutonium is a viable and valuable solution to plutonium management.

I will ask the Government some questions. Can the scope of GBN be widened to encompass AMR technology, and is GBN itself fully funded and resourced enough to be able to deliver within its assigned, or indeed enhanced, scope? There is an urgent need for clarity on siting and a route to market, so when will the alternative route to market consultation report be published and when will decisions be made over siting? What are the Government doing to secure a domestic fuel supply for AMRs?

Finally, and most importantly, what is being done to ensure that all Whitehall departments outside DESNZ—including the Cabinet Office, which is often a little too risk-averse in evaluating business cases, and the Department for Transport—realise the opportunities that nuclear represents to decarbonise their own sectors and to facilitate the levelling up of all sectors of the UK?

9.05 pm

**Lord Berkeley (Lab):** This was a fairly lightweight King's Speech, and the elements of transport about which I shall speak are pretty light—although I welcome some legislation on self-driving vehicles; I am sure that we will have some fun debating that. I was very surprised to hear His Majesty say that he was going “to deal with the scourge of unlicensed pedicabs”.

I do not know how many pedicabs he comes across in his horse and cart. That is a fairly strong word; I think that they are rather fun, but they obviously need some regulation.

I was concerned by the comment from the Minister, when he opened the debate, about the war on motorists. Is he substituting that with a war on pedestrians, cyclists and the environment? I think that we can all live together.

As my noble friend Lord Faulkner of Worcester mentioned, the biggest loss was the lack of any legislation for railways; it is very sad. He went into it in some detail, and he is absolutely right.

Many noble Lords have spoken about the need for investment, including my noble friend Lord Hain in particular detail, but it has to be a wise investment and the Government have to manage or facilitate it in a manner that is best value for money and need. They have to be honest and transparent about this to Parliament. If I have been seen as the only person in your Lordships' House against HS2, it is not because I do not like railways—I love them—but because their work on HS2 was not followed up well. That was the model chosen by the Government, and while we can debate whether you need very high-speed rail, the costs and overspec meant that, eventually, the Prime Minister was right to cancel it.

What we have to do now is make sure that the Government, whichever Government, invest in any alternatives that many noble Lords have talked about. Is the Department for Transport capable managing

this? I refer noble Lords to an interesting report that the National Audit Office put out on 6 November. It says:

“DfT is not able ... to deliver all of its priorities”

or

“to deliver its major projects”.

The NAO has looked at the Department for Transport and it goes into some detail about the money that has been, and should have been, spent, and everything else like that. It gives various projects traffic lights: red, amber or green. There are one or two green projects in the Department for Transport, quite a lot of amber ones and the two bits of HS2 are of course red. I could list them all, but we do not have time for that now.

The key for me is that the NAO seems to be right in suggesting that the department seems to be incapable of managing projects or controlling costs. The HS2 case has been made worse by concealing the project costs and timescales from Parliament. I complained to Simon Case in the Cabinet Office a couple of years ago and asked him to investigate whether the DfT was breaking the Ministerial Code by misleading Parliament. He passed my letter to the Department for Transport for it to answer; that was not really the independent response I was looking for. Of course, many Lords committees and a few Commons committees have also complained about this, but, sadly, no one in government seems to have been listening to where this has got to.

I have been talking about railways, but this is about big projects; I suspect that things such as Hinkley Point C are in a similar situation, except we do not get told about it because it will all end up on our electricity bill in 10 years' time, so maybe nobody minds. My question to the Minister is therefore: what will happen next? This has gone on for 15 years now, so is it not time for a proper independent public inquiry into what has gone wrong with the management, governance, costs and planning of HS2 to find out why nobody in the Department of Transport and the Cabinet generally, the House of Commons or the House of Lords has looked into this and demanded fully independent information on an ongoing basis? That might give some people pleasure, but the most important thing is a lesson for the future. Unless we have this, we will make the same mistakes on projects again and again, and that will not help the investment that many noble Lords have spoken about.

9.11 pm

**Baroness Bakewell of Hardington Mandeville (LD):**

My Lords, I congratulate the right reverend Prelate the Bishop of Norwich and the noble Lord, Lord Gascoigne, on their excellent maiden speeches and look forward to their contributions to our deliberations in the future.

Today's debate has been wide ranging and extensive, with some very pertinent contributions on which I cannot hope to respond. The gracious Speech set out the Government's agenda for the next year in the run-up to the general election. Although it has some interesting Bills which are to be welcomed, it is clear from the debate that many of the issues your Lordships were hoping to see addressed were absent. The noble Lord, Lord Whitty, the noble Duke, the Duke of Wellington, and the noble Baroness, Lady McIntosh

of Pickering, raised water and flooding, and the noble Lord, Lord Cromwell, clutter in space, all of which are valid but not mentioned in the gracious Speech.

My first comments are on the Offshore Petroleum Licensing Bill. Annual licensing rounds for new oil and petroleum are unlikely to produce a more secure supply of oil and gas until well into the future. Most of this will be destined for export rather than the home market, so there will be no benefit to the British consumer. By 2035, half of the UK's refineries in the North Sea will be of a type which are unsuitable for processing the heavy oil which the new licences will produce. UK refineries are outdated and were built to process light oil and will not be able to cope with the anticipated increase from 25% to 50%. Given this, we urge the Government to invest in renewable energy and insulating homes, especially for those on low or fixed incomes. Energy prices doubled last year and there is little evidence of this being reversed. Waiting for new licences to start producing oil will not help today's householders to manage their budgets and afford to heat their homes as well as feeding themselves. How does the Minister propose to assist households?

I also find it extraordinary that this announcement on annual licensing comes just three weeks ahead of COP 28. I cannot understand how it helps the UK's credibility or demonstrates strong leadership on climate change.

Turning to the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill, I can understand that the UK is keen to be the first new member of the CPTPP, which was not possible during European days, but just wanting to be a member of a club does not in itself bring benefits, and it is difficult to see what the benefits are likely to be. The gracious Speech and the Minister's letter of 8 November indicate that farmers will benefit from reduced tariffs on cheese and butter exports to Canada, Chile, Japan and Mexico, and that imports of cheaper high-quality products, such as fruit juices from Chile and Peru, will benefit the UK customer.

However, a brief search of top exports from Chile in 2021 show that these were copper ore, refined copper, fish fillets, raw copper and iron ore. Its imports were petroleum products through to delivery of trucks. Its top export destinations were China, the US, Japan, South Korea and Brazil. Four of those countries are its relatively close neighbours, whereas the UK involves a great deal of air miles to get goods to market in both directions—again, cocking a snook at climate change. Chile, on the upside, is the largest producer of cherries and grapes, and exports fish pieces and fillets. Given that we are an island nation, I feel certain we can provide for ourselves with fish, but the fruit would be welcome. The main agricultural exports from Peru are grapes, blueberries, avocados, green coffee beans and asparagus. While all these commodities are part of our diets in the UK, they can be sourced nearer to home. The Government's assertion that they will not compromise our high standards of protection for the environment seems extremely hollow when considering the carbon equation in bringing products from the other side of the world. This does not stack up in assisting the UK to get to its net-zero targets. Can the Minister suggest what the air miles are likely to be for this policy?

[BARONESS BAKEWELL OF HARDINGTON MANDEVILLE]

I turn now to the animal welfare (livestock exports) Bill. This is to be welcomed. The noble Lord, Lord Benyon, has on many occasions reiterated the point that no live animals have been exported for slaughter or fattening for some time. This Bill will ensure that this is enshrined in law, and it should come forward at the earliest opportunity to prevent unnecessary animal suffering. Even within the UK, animals often have to journey a long way to slaughter due to the closure of rural abattoirs over the years. The right reverend Prelate the Bishop of St Albans has raised this issue.

However, I was disappointed that measures originally promised in the abandoned kept animals Bill are not likely now to make their way on to the statute. Examples are the keeping of primates as pets and the ban on the import of hunting trophies—so vehemently opposed from the Government's own Benches. Listening to some of the arguments put forward on hunting trophies, one would think that every baronial home in the country had a lion or tiger skin rug in the hall.

I cannot leave the subject of animals without saying that I feel that the Government have somewhat abandoned their animal welfare credentials. Again, this is more about what was absent from the gracious Speech than what was included. Despite there being excellent faux fur alternatives, the MoD insists on the use of pelts of Canadian black bears to make bearskin caps. Italy and Sweden have changed their policy to using only synthetic fur. I find it extraordinary that the UK does not follow suit. Each cap requires the pelt from one bear, which costs the British taxpayer £1,560 by the time it has been made into the traditional bearskin cap. The Government, if they are serious about their animal welfare agenda, should bring forward a Bill to abandon this practice without delay. Can the Minister commit to ensuring that this happens?

The thorny issue of banning the use of peat in horticulture came to the fore this morning with the publication of the report on the future of horticulture. The 25-year environment plan trailed the ban on peat. The Government have indicated that it is coming, but still there is no sign of it. I fully understand the needs of the horticulture sector and seed growth. Perhaps a compromise could be reached by allowing the use of peat only for the very first, delicate stages of seed and plant germination before switching to peat-free alternatives. A dialogue is needed, rather than ignoring the subject altogether. The country and the world desperately need the carbon storage that peat provides. It should remain where it is, in the ground, wherever possible. Can the Minister please give reassurance on this?

I am trying not to be a total prophet of doom and do welcome the tobacco and vapes Bill. Living for a while in London, I was conscious of the huge number of discarded vapes at a certain spot on my Sunday morning dog walk. Vapes contain the critical materials of lithium and copper, as my noble friend Lady Sheehan referred to. I am grateful to the Green Alliance for its information that last year, enough lithium-containing vapes were disposed of to create 5,000 batteries for electric cars. Other Peers have referred to this. Now is the time for this Bill and the Government to take a holistic view on the use of lithium, which is not a finite resource.

Lastly, I was disappointed that there was no mention of tackling the issue of waste. Repairing and reuse of goods and materials is not rocket science, as was ably demonstrated yesterday evening at the earth sciences awards ceremony. It is time that the Government stopped talking about tackling waste and actually took it seriously with legislation. Wales is successful in this field. Why cannot England follow suit?

There is much to commend in the gracious Speech, but it is the absence of substance on climate change which causes most concern. I fear that I cannot agree with the noble Lord, Lord Lilley. Overall, the Government have missed a golden opportunity to show their commitment to tackling climate change and have let the country down badly.

9.22 pm

**Baroness Hayman of Ullock (Lab):** My Lords, I congratulate the noble Lord, Lord Gascoigne, and the right reverend Prelate the Bishop of Norwich on their maiden speeches in today's wide-ranging debate. I am very pleased that there is another advocate for the north of England, so I offer the noble Lord the warmest welcome to the House. As someone who also feels passionately about our environment, I warmly welcome the commitment to it of the right reverend Prelate. I look forward to further contributions from them both.

My noble friend Lord Livermore clearly laid out our concerns about the current state of the economy, which have been reiterated by many noble Lords in today's debate, including my noble friends Lady Drake, Lady Liddell, Lord Mandelson, Lord Sikka, Lord Hain, Lord McNicol, Lord Liddle and so on. My noble friend Lord Livermore spelled out Labour's very different approach to turning around the economy and tackling the cost of living crisis, so I will concentrate my remarks on other aspects of the debate.

We are just weeks away from the UN climate summit, COP 28. With this in mind—and considering that the Government have time and again spoken up about their green credentials—the opportunity to use the King's Speech to set out a clear vision for a greener future has been squandered. Instead, with one of the lightest legislative programmes in a decade, the Government have missed a vital opportunity to set out a positive agenda that delivers for people and the planet. Vague commitments to “lead action on tackling climate change and biodiversity loss, to support developing countries with their energy transition and hold other countries to account on their environmental commitments” are simply not good enough. It seems a little bit rich of the Government to pronounce that they will hold other Governments to account on environmental commitments when they are not exactly managing their own terribly well.

As we have heard today, there are huge health impacts from climate change and biodiversity loss. Does the Minister not agree with the WHO that:

“Further delay in tackling climate change will increase health risks, undermine decades of improvements in global health, and contravene our collective commitments to ensure the human right to health for all”?

My noble friend Lord Davies mentioned the lack of a mental health Bill—another thing missing in our approach to health.



The King's Speech is a missed opportunity for nature's recovery. Some noble Lords talked about peatlands, which are our largest natural carbon stores. They help to reduce flood risk, produce clean water and provide homes for many important species. The noble Baroness, Lady Sheehan, mentioned this in much more detail and the fact that the Government are still to ban retail sales of peat-based compost, as they promised to do by 2024.

We also heard about some of the direct and indirect impacts of climate change and biodiversity loss. The right reverend Prelate the Bishop of St Albans, for example, talked about the need to ensure that the impact on the environment is considered right across our political agenda. The noble Baroness, Lady McIntosh of Pickering, and my noble friend Lady Ritchie of Downpatrick talked about flooding and the lack of action on flooding. In government, Labour would set up a flood resilience task force to make sure there is better co-ordination between national and local government in emergency services and to give communities and local economies far better protection against flood damage. We would also appoint a Minister for Resilience within the Cabinet Office and overhaul local resilience forums, so that they are more ready to respond to emergencies such as floods.

Air quality was mentioned by a number of noble Lords. We know about the impact on health of poor air quality, and the Government simply do not have ambition on this. Food and farming, higher temperatures, changing rain patterns and extreme weather—all affect global food security. The *United Kingdom Food Security Report 2021* says that climate and biodiversity loss are significant risks to domestic food production. With half of UK food imported from overseas, worsening climate impacts could lead to food shortages and price rises, which we have already been seeing. What exactly is the Government's plan to tackle this?

We also know of indirect impacts from the current situation on climate change and our economy, such as increased poverty, migration and intensified inequalities. My noble friend Lord Hendy talked about this, as did the right reverend Prelate the Bishop of Durham.

My noble friend Lord Whitty pointed out that there is nothing about water in the Speech. Nothing more graphically illustrates the 13 years of failed Conservative government than the tide of raw sewage that today spills down our rivers and into our lakes and washes up on our beaches. The noble Duke, the Duke of Wellington, spoke about this and the failure of our regulators to do something to tackle it. The Government must take responsibility for cutting back on the enforcement and monitoring of water companies and for the poor rate of prosecutions when the law is blatantly broken.

We believe that the regulatory framework is simply not working effectively and needs changing. We would ensure that the polluter pays by expanding Ofwat's powers to ban the payment of bonuses to water bosses until they have cleaned up their filth. We would make law-breaking bosses personally and criminally liable for their crimes, we would make monitoring of every

water outlet compulsory and we would introduce automatic, instant severe fines for every illegal sewage dump.

Energy has been much discussed in this debate. A number of noble Lords talked about the Offshore Petroleum Licensing Bill. For example, my noble friend Lady Liddell clearly laid out Labour's position on this, the noble Baroness, Lady Hayman, drew attention to the tax incentives that favour fossil fuels over renewables and my noble friend Lady Whitaker spoke of the need to move away from fossil fuels. We need an energy policy that delivers clean power, increases Britain's energy independence and reduces our reliance on oil and gas derived from the North Sea. The importance of investment in nuclear was mentioned, in particular by the noble Lord, Lord Ravensdale, and the noble Baroness, Lady Bloomfield.

However, as my noble friend Lady Blake said, it is hugely concerning that clean energy generation and security have not been a priority. Instead, we have recently seen a number of announcements that instead delay important net-zero policies. Unfortunately, it still seems easier to get permission from the Government to build a new coal mine rather than build the renewable energy that we so desperately need. Although the Speech included broad commitments to seek to attract record levels of investment in renewable energy sources and to reform grid connections, we need specific policies to be set out in the Autumn Statement at the end of November so that we know what this actually means. Can the Minister confirm that we will have more detail shortly?

As we have heard, the problem facing the UK is not just one of energy supply but one of energy affordability. Energy bills are still rising. My noble friend Lord Lennie spoke about energy security and the high cost to consumers, and the lack of action and ambition on this. We now know that an estimated 6 million households are in fuel poverty. The King's Speech offers no hope to families living in poverty, struggling to heat their homes this winter.

There were also a number of expected Bills that simply did not make an appearance. My noble friend Lord Livermore mentioned a number of these, so I wonder whether the Minister knows if we are likely to see them at all in the near future. One example is the expected transport Bill, which a number of noble Lords mentioned. In December 2022, the Transport Secretary, Mark Harper, told the House of Commons Transport Committee that, due to a lack of parliamentary time, the Government had not been able to put it forward just yet but that some of the measures might well be included in the 2023 King's Speech. What exactly has happened to these promised regulations?

The Speech did not include measures to limit the powers of local authorities to make it more difficult to introduce policies such as ultra-low emission zones or 20 mph speed limits. Have the Government changed their mind on this?

A number of noble Lords also referred to HS2, including the noble Lord, Lord Birt, and my noble friends Lord Grocott and Lord Berkeley. How will the rail reform Bill tackle the big issue of capacity now that the Government have cancelled HS2 north of

[BARONESS HAYMAN OF ULLOCK]

Birmingham, without any sign of any suitable alternatives? Rail infrastructure is vital for economic growth, connectivity and investment, as we have heard. We have heard about the Network North proposals and promises, particularly from my noble friend Lord Grocott. We also heard more broadly from my noble friend Lord Faulkner about the need for proper rail infrastructure in this country, and my noble friend Lord Jones talked about the importance of funding investment for Welsh rail. The north really needs a rail Bill that delivers, so what guarantees can the Minister give me on this?

Finally, let us end on a positive note on animal welfare. I am sure noble Lords who know me will not be at all surprised to hear how absolutely delighted I am with the inclusion of a Bill to end the live export of animals. However, despite the noble Lord, Lord Callanan, saying that animal welfare is a priority for the Government, my welcome is tinged with a touch of cynicism after what happened to animal welfare announcements in previous Queen's Speeches.

**Lord Callanan (Con):** King's Speech.

**Baroness Hayman of Ullock (Lab):** The kept animals Bill and the animals abroad Bill were in Queen's Speeches. What has happened to the promised bans on the importation of fur and foie gras, for example? What will happen with the trophy hunting import Bill that just collapsed? How can the Minister guarantee that the Government will actually deliver the promised legislation this time, and what is happening about the outstanding pledges?

It is a bit depressing that this legislative programme is the best the Government could come up with. I gently suggest to them that it is, in fact, time for a change.

9.34 pm

**The Parliamentary Secretary, HM Treasury (Baroness Penn) (Con):** My Lords, I add my words of welcome to the right reverend Prelate the Bishop of Norwich and my noble friend Lord Gascoigne and congratulate them both on their maiden speeches. I am sure that they will prove to be valuable Members of this House. The noble Baroness, Lady Hoey, put it well when she described my noble friend Lord Gascoigne as "discreet and decent". I have always enjoyed working with him over many years in the past, and I look forward to working with him in the future. I also welcome back my noble friend Lord Wakeham to this House, and also welcome the optimism that he brought in his remarks about the opportunities of the future.

Much of today's debate has focused on the Government's record on the economy and our plans to grow it in future, so I thought it worth taking some time to go over the facts. Since 2010 the UK economy has grown by more than 24%, faster than France, Germany, Japan, Italy, Spain, Austria, Finland, Belgium, Portugal, and the Netherlands. At the same time, borrowing is forecast to have fallen by 4.7 percentage points, more than that of any other G7 member. We have halved unemployment and cut inequality, and reduced the number of workless households by 1 million. In fact, since 2010, 4 million more people are now in work, with more than 1 million new businesses created.

Increases in tax thresholds made by successive Chancellors mean that people in our country can earn £1,000 a month without paying a penny of tax or national insurance. At the same time, educational outcomes have consistently improved. All this has been delivered while we have cut our carbon emissions by more than 48% between 1990 and 2021, delivering net zero faster than any other major economy.

We also have a bright future ahead of us. We are ranked number one by the World Bank among major European economies as a place to do business. We are home to Europe's largest life sciences sector, which helped produce a Covid vaccine that saved 6 million lives and a treatment that saved 1 million more. We are only the third country in the world to have developed a trillion-dollar tech economy. Our film and TV industries are the largest in Europe, and our creative industries are growing at twice the rate of the rest of the economy. We are a world leader in offshore wind, behind only China in the scale of energy production.

But we are not complacent, not least because of the unprecedented shocks our country and economy have faced in recent years. The Covid pandemic forced us to take decisions to shut down large swathes of our economy and made huge demands of our public services, as the NHS went on to a war footing, and teachers and families had to adapt to moving learning for millions of children online and at home. The Government also stepped forward with unprecedented support totalling more than £350 billion during that period. The furlough scheme protected 11.7 million jobs and livelihoods. Our loan support schemes provided lifelines to 1.6 million businesses, as well as cutting VAT for the worst affected, providing a business rates holiday for more than 750,000 businesses, and protecting our arts and cultural sectors through the nearly £2 billion culture recovery fund. We supported our public transport systems with more than £12.8 billion of funding, our NHS with £81 billion of Covid ring-fenced spending, and our schools with nearly £5 billion towards educational recovery since the 2020-21 academic year.

In 2022 we emerged from the pandemic earlier than many other countries thanks to our vaccine rollout, and our economy grew at the fastest rate of any G7 nation. But in March of that year, we faced a further global shock after Russia's illegal invasion of Ukraine. Energy prices shot up, adding to inflationary pressures caused by global supply chains needing to rebuild after Covid. The noble Lord, Lord Livermore, sought to lay the blame for inflation and therefore higher interest rates at the Government's door. However, given his emphasis on Labour's respect for the independent Bank of England, perhaps he will defer to its analysis from the August *Monetary Policy Report* this year, which explained:

"High inflation has been caused by a series of big shocks. The first shock was the Covid pandemic ... The second shock was Russia's invasion of Ukraine ... The third shock was a big fall in the number of people available to work".

In May the IMF confirmed that we have taken "decisive and responsible" action to bear down on inflation and achieve the right balance of fiscal and monetary response, while also focusing on growing the economy.

The noble Baronesses, Lady Sheehan and Lady Bakewell, asked what the King's Speech is doing to support households with this higher cost of living, but they neglected to recognise the significant ongoing support already in place. Over the past year, government support paid for about half the average household energy bill and provided one of the largest household support packages in Europe. We extended the temporary 5p fuel duty cut and a freeze to fuel duty representing a saving for the average driver of £200 since the record 5p cut was introduced.

I reassure the right reverend Prelate the Bishop of Durham that we have targeted our support at the most vulnerable, with cost of living payments to more than 8 million households on means-tested benefits and 8 million pensioner households, and to 6 million people on disability benefits, worth respectively £900, £300 and £150 this year on top of payments of £650, £300 and £150 last year. This is in addition to uprating benefits by 10.1% this year in line with inflation and protecting the triple lock for around 12 million pensioners, worth £11 billion.

My right honourable friend the Chancellor confirmed that the UK Government will accept the Low Pay Commission's forthcoming recommendation on the increase in the national living wage from April 2024, currently forecast to increase to at least £11 an hour. This means that the annual earnings of a full-time worker on the national living wage will increase by more than £1,000 next year.

There is no doubt that we have faced real challenges over the past few years, but this Government have stood by the British people every step of the way. When we look ahead, the Prime Minister has set three clear priorities for the economy to ensure that we recover from the shocks we have faced and once again release the potential of this great nation. First and foremost, we remain steadfast in our commitment to cutting inflation, the most insidious tax on household budgets there is. We are on track to deliver our aim to halve inflation this year as a staging post to returning to the 2% target, and decisions by the Bank of England's independent Monetary Policy Committee remain the primary tool for controlling inflation.

It is also essential that fiscal policy acts in support of, rather than working against, monetary policy. That is why the measures taken by the Chancellor at this year's Budget were focused on easing some of the longer-term drivers of inflation. Indeed, the reforms announced at the Budget were the largest supply-side measures ever scored by the OBR.

We have also taken the difficult but necessary decisions needed to control public sector borrowing. Additional borrowing would increase aggregate demand and place further pressure on inflation and interest rates. The noble Lord, Lord Leong, asked about the current level of government debt and the cost of servicing it. Government debt currently stands at £2,702 billion, and the OBR March forecast put debt interest costs at £94 billion this financial year. This figure puts into stark relief the challenge before us, set out so ably by my noble friend Lord Bridges. I say to my noble friend that, while it was absolutely right for the Government to step in in response to Covid and the energy price shock,

an ever-growing state cannot be the new norm, particularly in a future where we know there will be growing demands on the state, whether it is to support the energy transition or to harness and respond to the technological revolution—challenges to future global growth so eloquently set out by my noble friend Lady Moyo. As my noble friend Lord Bridges said, the future will demand clear choices from government about what it can and should do and a relentless focus on productivity in the public sector and, as noted by the noble Lord, Lord Londesborough, in the private sector.

I reassure noble Lords that these themes and concerns drive this Government forward. In contrast, despite the valiant attempt by the noble Lord, Lord Livermore, to reassure noble Lords of Labour's commitment to fiscal responsibility, despite its record in government, he failed to explain how Labour's plans to spend £28 billion extra every year could be paid for without additional tax hikes or adding to this borrowing burden.

Getting debt falling is essential in ensuring that we do not pass on the burden to future generations who would have to pay it off. It provides space to allow government to respond to future shocks and reduces spending on debt interest that could otherwise support public services—or, in response to my noble friend Lady Noakes, put money back into people's and businesses' pockets through cutting their tax burden. As an aside to my noble friend Lord Balfe, I reassure him that we have delivered on George Osborne's commitment to cut inheritance tax.

In its latest forecast, the OBR confirmed that the Government are on track to deliver their debt target. However, challenges remain: borrowing and debt are high by historical standards, and the headroom to debt falling is historically low. Controlling inflation and getting debt falling provide the foundations for our third priority: long-term, sustainable growth. Growth is the key to building confidence, security and hope for the future. It rewards aspiration and invention, creates freedom and choice, and strengthens our communities and our country. As my noble friend Lord Forsyth put it, it is the prerequisite for any action by government to support vulnerable households and essential public services.

The Spring Budget set out an ambitious programme of measures to drive economic growth across employment, enterprise, education, and everywhere in the UK, without irresponsibly fuelling inflation. We will look to build on this further at the Autumn Statement; I hope the noble Lord, Lord Desai, will forgive me if I do not pre-empt that today. The Budget package included a landmark childcare offer, and key new policies to ensure the UK business tax system is one of the most comprehensive of the world's major economies.

In today's debate we have focused on a number of other important areas driving our future growth. One has been the role of technology, in particular AI, as raised by the noble Baroness, Lady O'Grady, my noble friend Lady Moyo and the right reverend Prelate the Bishop of Oxford. The AI Safety Summit was an important step forward to deploying this crucial technology with the launch of the world's first AI safety institute, which will help spur international collaboration on the safe development of AI.



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The noble Baroness, Lady O'Grady, also called for more effective digital competition policy. That is exactly what the Digital Markets, Competition and Consumers Bill is designed to address, providing new powers to the Digital Markets Unit in the CMA and building on the Online Safety Act, creating a modern regulatory framework for online platforms and tech companies.

My noble friends Lord Altrincham and Lord Trenchard raised the potential of our financial services sector, and the noble Baroness, Lady Drake, and the noble Lord, Lord Davies of Brixton, touched on pension reforms. Both these areas have significant potential to unlock further investment in the UK. The Government will continue to pursue reform at pace, with appropriate safeguards.

The Government's economic priorities have also driven our approach to delivering on net zero. Since March 2021, the Government have committed a total of £30 billion of domestic investment to the green industrial revolution. Since then, the Government have announced an additional £12 billion for energy efficiency and low-carbon heating to support the work we are doing to reduce the UK's energy consumption from buildings and industry by 15% by 2030 relative to 2021 levels. We have also announced up to £20 billion for early deployment of carbon capture, utilisation and storage in the UK. In response to the noble Baroness, Lady Liddell, we are currently working with industry on the right quantum of spend within a given period. These are commercial negotiations, the outcomes of which we will announce at the next spending review and future spending reviews, to ensure that the UK remains at the forefront of deploying this technology.

The policies set out in the *Net Zero Strategy 2021* and the *Net Zero Growth Plan 2023* are expected to mobilise an additional £100 billion of private investment and support 480,000 jobs across the UK. But we know there is more to be done, so we are doubling down on tackling the most significant constraints to our transition—accelerating grid connections, addressing issues with planning and improving auction rounds for renewable power, as well as investing in UK green R&D.

At the same time we are investing in our energy security and making sure that we smooth the transition for households in a pragmatic way. The impacts of Putin's war in Ukraine have made clear the need for greater energy security in the UK and Europe, which can be secured only by boosting the range of domestic energy supplies that we have available.

Renewable power reached a record share of 48.2% of total generation in the first quarter of 2023. When you include nuclear, low-carbon sources provided over 60% of total generation. In future the UK will be powered by renewables including wind, solar and hydrogen power with carbon capture, usage and storage and new nuclear plants.

The noble Baroness, Lady Whitaker, asked about tidal and wave energy. The Government have invested over £175 million in wave and tidal stream innovation over the last two decades. The Government announced on 8 September that a record 11 tidal-stream contracts have been secured in the latest contract for difference, thanks in large part to a ring-fenced tidal budget.

On wave energy, we continue to engage with domestic and European industry, academia and the devolved Governments, including collaborating with Wave Energy Scotland.

**Baroness Whitaker (Lab):** I am sorry to hold up the Minister in her magnificent tour de force but I asked her a specific question about the consent process consultation. If she does not have the answer to hand on wave energy, would she please write to me?

**Baroness Penn (Con):** I will be happy to write to the noble Baroness.

We have launched a nuclear revival. The Government invested to become a shareholder in Sizewell C in November 2022 and launched a capital raise process in September this year to bring in new project finance. We have launched Great British Nuclear to drive the delivery of new nuclear technologies beyond Sizewell and to develop the latest small modular reactor technologies, and last month we announced the shortlist of companies to build the new generation of small modular reactors. Beyond the initial focus on delivery, Great British Nuclear will be available to support further nuclear ambitions. It has the statutory backing and resources behind it to deliver against its long-term operational mandate.

Through the nuclear fuel fund we will invest over £35 million, match funded by industry, to develop new domestic fuel production capabilities and to supply gigawatt reactors, SMRs and AMRs. On siting, we are developing a nuclear national policy statement that will cover the policy framework for deploying new nuclear power stations beyond 2025. As an initial step, we plan to consult on our proposed approach for determining new nuclear sites by the end of this year, with our aim to finalise a consultation on the NPS next year and complete parliamentary scrutiny to enable its designation in 2025. We will launch our consultation on alternative routes to market next month and, following our review of responses, deliver a report in 2024. I hope that responds to the questions from both the noble Lord, Lord Ravensdale, and my noble friend Lady Bloomfield, who are both great advocates for the nuclear industry. Perhaps I can write to the noble Lord, Lord Jones, to respond to his specific questions about the two sites that he focused on in his contribution.

However, we also need to recognise that data published by the Climate Change Committee shows that the UK will continue to rely on oil and gas to meet its energy needs even after the UK reaches net zero in 2050. That will include the use of gas for power generation and carbon capture usage and storage. That is why we are investing in the range of domestic energy supplies that we have available, including taking steps to slow the decline in the domestic production of oil and gas, which will reduce our reliance on hostile states and back a thriving industry in the UK that supports 200,000 jobs. It is important to recognise that the UK is a rapidly declining producer of oil and gas, and new oil and gas licences will reduce the fall in UK supply to ensure vital energy security, rather than increasing it above current levels, so that the UK remains on track to meet its net-zero 2050 commitments.

I say to the noble Baroness, Lady Blake of Leeds, that we recognise the unprecedented profits made by oil and gas producers after Russia's invasion of Ukraine. These profits represent not a return on investment but a windfall as a result of unprovoked war. It is therefore right that we introduced the energy profits levy on those windfall profits, bringing the tax rate on the profits of North Sea oil and gas producers to 75%. By 2027 the levy is expected to raise almost £26 billion, having already generated around £5.9 billion, helping us—as I said earlier—to pay half the typical household's energy bill between October and June.

We also want to take a fair approach to decarbonising how we heat our homes, which is why we are giving people more time to make the necessary transition to heat pumps. We have increased the boiler upgrade scheme cash grants by 50%, to £7,500, to support consumers who want to make the transition now. It is one of the most generous grants in Europe.

I reassure noble Lords that, in taking into account the changes to the boiler and electric vehicles mandate and the ongoing licensing of domestic oil and gas reserves, we are confident that we can deliver our carbon budgets and capitalise on the opportunities for green growth. So I say to the many noble Lords who raised concerns in this area that we remain completely committed to our existing targets and to meeting net zero by 2050, compatible with the Paris Agreement ambition to limit global warming to 1.5 degrees.

We will continue to listen to and engage with the expertise in this House on climate and nature. I say to my noble friend Lord Lilley that our approach will be informed by evidence, pragmatism and rational debate. Our package of proposals and policies will continue to evolve to adapt to changing circumstances, to utilise technological developments and to address emerging challenges.

But we are in no doubt about the real and present threat that climate change and biodiversity loss represent to our economy and society, and there is no change in our commitment to tackling this challenge. The UK overachieved against its first and second carbon budgets, and the latest projections show that we are on track to meet the third. We are able to quantify the vast majority of carbon savings in the late 2030s, more than a decade away.

Environment and nature are the other side of the coin when it comes to tackling climate change. I reassure the right reverend Prelate the Bishop of Norwich, who spoke so eloquently of his own work on ecology, that not only have this Government done more than any other on the environment and nature—including through the landmark Environment Act—but we remain committed to going further, through our commitment to end the net loss of biodiversity in the UK by 2030. I agree with the noble Baroness, Lady Hoey, that we need to put people and rural communities at the heart of this approach. We will not achieve this transition without the support and action of farmers and land managers.

My noble friend Lady McIntosh asked about the live animal export Bill and whether there is a means to restrict live animal imports from the EU. I say to her that there has never been a significant import trade for

slaughter or fattening. For example, since 2019, only 91 cattle, 14 sheep and 20 pigs have been imported for slaughter from mainland Europe—so we do not see a pressing case to take action in this area. On my noble friend's question about border control points, I reassure her that our new border control point at Sevington, covering the short straits, opens in April. Other border control points will open around the UK, securing our biosecurity with our new border targeting operating model.

A number of noble Lords, including the right reverend Prelate the Bishop of St Edmundsbury and Ipswich, raised concerns about the impact of recent flooding on farmers. The flood recovery framework provides funding for households and businesses affected by severe flooding, and it includes several grants and business rates relief.

I say to the noble Baroness, Lady Ritchie of Downpatrick, that I know that my noble friend Lord Caine spent several hours with her in communities affected by the recent floods. In the absence of the Executive, who could have acted swiftly, the UK Government are making money available to support those affected by floods, through the reallocation of existing funding.

I say to the noble Lord, Lord Whitty, and the noble Duke, the Duke of Wellington, who, among others, raised the reform of water regulation, that we are driving the largest infrastructure investment in water company history—an estimated £60 billion of water company capital investment by 2050—to meet storm overflow discharge reduction plan targets, which were recently expanded to cover all storm overflows in England, including those discharging to coastal and estuarine waters. But I will of course pass on to Defra the proposal from the noble Duke for the future of regulation in this area.

This brings us on to the theme of what is not in the King's Speech, and to speak to the concerns raised by the noble Baronesses, Lady Sheehan and Lady Bakewell, around the ending of peat in horticulture. It remains our policy that we intend to legislate to restrict and ultimately ban the sale of peat and peat-containing products. We appreciate that there is good support for this from the public and from within Parliament.

I turn to the noble Baroness, Lady Sheehan, and the right reverend Prelate the Bishop of St Albans, who raised the subject of disposable vapes. The Government launched a consultation on smoking and the use of vaping earlier this month. As part of it, the UK Government and the devolved Administrations are considering restrictions on the sale and supply of disposable vapes, including prohibiting the sale of these products due to the environmental impacts that they have.

The noble Lords, Lord Whitty and Lord Livermore, and many others raised the question of employment rights. I say to noble Lords that, over the past year, we have proven our commitment to supporting workers by introducing a number of new employment rights via government hand-out Bills, including a new day one right to request flexible working; a new legal right to request predictable working patterns; additional protections for pregnant women against redundancy;

[BARONESS PENN]

a right to paid leave for employees whose child is receiving neonatal care; and a right for unpaid carers to one week of additional unpaid leave. Action is being taken in that area.

Perhaps related is the question of unpaid Ministers in this House, as raised by my noble friend Lord Forsyth. I and my noble friend the Lord Privy Seal have heard my noble friend Lord Forsyth's plea and impressed the point at the highest levels. However, as he is well aware, the number of Ministers who are paid is set out in legislation, and to improve the lot of our Ministers who are unpaid we would need to legislate. Unfortunately, there is not currently the appetite to do that.

I turn to the remarks by the noble Lord, Lord Snape, who questioned the inclusion of the Pedicabs (London) Bill in the King's Speech—

**Lord Forsyth of Drumlean (Con):** I am most grateful to my noble friend. I appreciate her courtesy in referring to what I said. As David Cameron is joining the House on a salary of £106,000, can we take it that his Minister of State will be paid?

**Baroness Penn (Con):** My Lords, I could not possibly comment on that, but I join my noble friend in welcoming David Cameron to his new post. I think we will be very pleased to have someone of such talent and experience join your Lordships' House.

To return to pedicabs, they are the only form of unregulated public transport on London's roads. If we could deal with it through by-laws, that would be fantastic, but in fact it takes primary legislation to deal with that issue.

Many noble Lords, including the noble Lords, Lord Birt, Lord Grocott, and others, regretted the cancellation of High Speed 2 beyond Birmingham. We absolutely recognise the need better to support critical links between and within our cities and towns, but the reality is that High Speed 2 is crowding out investment to further these priorities elsewhere across the country. We have made the difficult decision not to extend High Speed 2 and, instead, to deliver the £36 billion

of savings that we have allocated to Network North, an ambitious pipeline of alternative projects. The new plan will provide direct benefits to more people and more places and will do so more quickly than the previous plan for High Speed 2.

The noble Lord, Lord Birt, raised the need to upgrade the trans-Pennine rail route, which is absolutely a priority for this Government. The upgrade programme is expected to provide an extra two trains per hour and aims to reduce journey times between Manchester Victoria and Leeds from 55 to 41 minutes. The Government have committed £3 billion to date, and an announcement on future funding will be made later this year.

To the noble Lord, Lord Jones, I say that we are delivering a £1 billion upgrade to the north Wales main line, including electrification and improving journey times to better connect Wales with London and the north-west. We will now proceed with the steps necessary to implement this, including reflecting on the existing package of legislation before Parliament, necessary consultative steps, business case development, and our parliamentary and legal and fiscal duties.

Finally, the noble Baroness, Lady Bennett of Manor Castle, asked whether I stand behind the briefing that the first models of self-drive vehicles could be offered to market by 2026 if they are proved safe. The short answer, which at this time of the night will be appreciated by noble Lords, is yes.

So, this Government have a comprehensive plan to deliver a strong economy, secure energy supplies, a state-of-the-art transport sector and a safeguarded environment. From bringing down inflation and the national debt to growing the economy and tackling climate change, we are committed to making long-term decisions for the benefit of everyone across this United Kingdom. That is what the first King's Speech in many a generation delivers, and I commend it to the House.

*Debate adjourned until tomorrow.*

*House adjourned at 10.05 pm.*