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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS
OFFICIAL REPORT

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The abbreviation [V] after a Member's name indicates that they contributed by video call.

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

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

No party affiliation is given for Members serving the House in a formal capacity or for the Lords spiritual.

House of Lords

Tuesday 11 February 2025

2.30 pm

Prayers—read by the Lord Bishop of St Albans.

Introduction: Baroness Cash

2.37 pm

Joanne Catherine Cash, having been created Baroness Cash, of Banbridge in the County of Down, was introduced and took the oath, supported by Baroness Falkner of Margravine and Lord Godson, and signed an undertaking to abide by the Code of Conduct.

Introduction: Baroness Gray of Tottenham

2.43 pm

Susan Ann Gray, CBE, having been created Baroness Gray of Tottenham, of Tottenham in the London Borough of Haringey, was introduced and took the oath, supported by Lord O'Donnell and Baroness Harman, and signed an undertaking to abide by the Code of Conduct.

Oaths and Affirmations

2.48 pm

Lord Campbell of Pittenweem made the solemn affirmation, and signed an undertaking to abide by the Code of Conduct.

Passenger Standards Authority
Question

2.49 pm

Asked by ***Baroness Pidgeon***

To ask His Majesty's Government what progress they have made in establishing the Passenger Standards Authority.

The Minister of State, Department for Transport (Lord Hendy of Richmond Hill) (Lab): As part of the Government's plan for change, the creation of Great British Railways will unify track and train to deliver better services for passengers, increase revenue and reduce the cost of the railway. While GBR will lead in delivering a customer-focused experience for passengers, we are committed to establishing a powerful passenger watchdog alongside it to champion their interests. My department will publish a consultation on the railways Bill imminently, which will provide detail on our plans to establish a passenger standards authority.

Baroness Pidgeon (LD): My Lords, passengers have faced fewer, shorter and overcrowded trains and increased fares for too long. Will the new passenger standards authority have enforcement powers and oversee a new charter for passengers confirming the minimum level of service that all new publicly owned lines will guarantee?

Lord Hendy of Richmond Hill (Lab): We have been working hard to ensure that the new PSA will be a powerful watchdog, making sure that passengers have an independent voice in the industry which stands up for them. It will have increased powers, enabling it to become a strong advocate through holding GBR to account for improving the passenger experience, and particularly for disabled people, as discussed during the passage of the public ownership Bill. The public consultation I referred to will seek the views of the public and industry on the proposed scope and functions of the PSA. After the consultation is published, I will be happy to meet the noble Baroness and other interested noble Lords to discuss it.

Lord Grayling (Con): My Lords, the Government are establishing a passenger standards authority, but Network Rail says that the industry should not use the word "passenger". Who is right?

Lord Hendy of Richmond Hill (Lab): The document that the noble Lord refers to was actually published during the time he was the Secretary of State for Transport—by Network Rail, I should say—so it is not a recent document. It is advice about writing letters using words of fewer than four syllables, and it is in fact good advice. Much of the correspondence that the noble Lord must have been given in his time as Secretary of State, which I am given as the Minister and which I was given as the chair of Network Rail, was indigestible in practical terms, so a guide for people about how to write letters in simple English is a really good thing.

Lord Watts (Lab): My Lords, the previous Government introduced changes which led to reduced services and a higher cost for the passenger. Can the Minister say what that has cost the taxpayer? Does he have any estimates about the changes the previous Government brought about—the failed railway reorganisation?

Lord Hendy of Richmond Hill (Lab): I cannot easily find that number my noble friend refers to. But it is true that, for example, the failure to resolve the wages issues with the principal trade unions led to the most prolonged national dispute in railway history and cost the taxpayer and the customers about £800 million.

Lord McLoughlin (Con): Can the Minister just remind the House—I am sure he knows the figure—what the passenger numbers were before privatisation and what they were just before the outbreak of Covid? What was the rise in passenger numbers over that time?

Lord Hendy of Richmond Hill (Lab): I am sure that if I cannot remember, the noble Lord will be able to. But he is right: roughly, the numbers doubled, and they did so because at the time of privatisation there was a huge amount of white space in the timetable. It is an acknowledged fact that the early years of privatisation

[Lord Hendy of Richmond Hill]
in particular produced more trains and a better train service, partly because the old British Rail was starved of investment. But we are not dealing with a railway in that position now; we are dealing with a railway that does not have the numbers or the revenue it had before Covid but still has all the costs.

Lord Spellar (Lab): My Lords, will the Minister reflect on the fact that the increase in traffic was driven substantially by the economic boom under the last Labour Government, as well as by the increase in population?

Lord Hendy of Richmond Hill (Lab): I thank my noble friend for that, too. He is of course right: it is quite hard to distinguish what is going on on the railway from the general economy, principally because connectivity drives growth, jobs and housing, and he is right about both the features he mentions. In respect of the railway itself, the principal feature I would draw attention to is the one I did in my response to the previous question, which is to say that if you have a lot of white space in the timetable, you can run more trains at relatively marginal cost. That white space, on many parts of the railway, no longer exists.

Lord Young of Cookham (Con): My Lords, you wait a long time for one Secretary of State for Transport and then three come along at once. Will the Minister confirm that the Government remain totally committed to the principle of open access on the railways?

Lord Hendy of Richmond Hill (Lab): It is always a pleasure to see so many ex-Secretaries of State on the other side of the House—all of whom I have respect for and at least one of whom appointed me to my previous job. The Secretary of State's recent letter, which was made public, sets out the precise conditions in which open access is an asset to the railway, not a detraction. One thing we have to be very careful about is that if, inadvertently, revenue that would otherwise accrue to the public purse and reduce the subsidy is diverted, that may not be a good deal for the taxpayer. I am sure the noble Lord has read that letter, and I would refer him to it as a very accurate description of the conditions under which open access is a good thing, and the conditions under which it is not.

Lord Beith (LD): My Lords, will the passenger standards authority have any ability to engage with the companies about the new east coast main line timetable, given that it involves halving number of services to London from Berwick-upon-Tweed and making the journey time longer?

Lord Hendy of Richmond Hill (Lab): We will see when the time comes whether the new passenger standards authority is set up in time to deal with that question, but I am glad the noble Lord raised the east coast main line timetable, because it is one of the justifications for having a guiding mind for the railway. Our nation invested over £4 billion in upgrading the east coast main line, and it has taken several years to achieve a situation where a timetable which is remotely acceptable to all the operators and passengers, even though it has detractions in some places, was capable of being put into effect. It is a startling exposition of the fact that there is no controlling mind that the person who in the end took the decision to put that timetable in was me.

Lord Moylan (Con): My Lords, is the Minister persuaded that when the consultation document on the future of the railways is published, which I hear might even be this week, it will have a convincing explanation of how Great British Railways is going to reconcile the inherent conflict of interest that exists between its role as a passenger service operator on the one hand and its position as a strategic authority, allocating paths and resources to freight, open access operators and others, some of them in direct competition with it, on the other—or is that the issue that has been holding up its publication for so long?

Lord Hendy of Richmond Hill (Lab): The noble Lord is right: I promised him it would be ready in December. I was advised by a colleague here that I did not say which December, of course, but, as I said, it is imminent. The question that he asks is germane in a mixed-use railway, and not a question unique to this network at all. It is a question which in various forms has been a question for all railway operators for as long as there has been freight, express passengers and so on. It is clear that a controlling mind will have to have some criteria to allocate access, and those criteria will have to form the basis of decision-making. It is also clear that because there are third parties on the railway, they should have a right of appeal. The document that I am referring to, which will be published imminently, will deliver a proposed solution to those issues.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, the last thing I would want to do is create problems for one of our Ministers—particularly this Minister—but he will recall the good days of the old Caledonian Sleepers, including one that came from Stranraer all the way down to London. It was used by many of our colleagues from Northern Ireland, and very effectively so. Recently, under the unfortunate auspices of the Scottish Government, the Caledonian Sleepers are really terrible and are making a huge loss. What advice would the Minister give to the Scottish Government, and would he perhaps even consider taking over the Caledonian Sleepers and integrating them into Great British Railways?

Lord Hendy of Richmond Hill (Lab): I would not propose to take over anything from the Scottish Government. They are quite capable of running their railway themselves. The sleeper from Stranraer was abandoned some 15 years ago; it was also a sleeper from Barrow-in-Furness and other places. The purpose of sleeper trains is to enable overnight travel. Actually, the Caledonian Sleeper, now operated by ScotRail, does rather well at it. I doubt that it is particularly profitable but it must be worth running—certainly in the view of the Scottish Government, because they run it.

Local Government: Electoral Quotas

Question

3 pm

Asked by ***Lord Fuller***

To ask His Majesty's Government, as part of the local government reorganisation set out in the English Devolution White Paper published in December 2024 (CP 1218), whether they plan to ensure that the principle of a broadly equivalent electoral quota per constituent will be applied to local government so that the value of every vote in each local authority area will be broadly similar throughout England.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government (Baroness Taylor of Stevenage) (Lab): My Lords, I thank the noble Lord, Lord Fuller, for asking an important Question on fair electoral arrangements for local government following the proposed local government reorganisation. Of course, this is a matter for the independent Local Government Boundary Commission for England to consider, but my department is liaising closely with it to ensure that it is involved at the appropriate time to make sure that we have fair electoral arrangements across the area of any new unitary authorities.

Baroness Armstrong of Hill Top (Lab): My Lords—

A noble Lord: Order!

Lord Fuller (Con): My Lords, 10 days ago, I had the pleasure of attending the Tolpuddle Martyrs Museum in Dorset, where I was delighted to see that one of the six core Chartist beliefs was equality of representation across every electoral district. On average, it takes 3,109 electors to select a councillor in London, but the corresponding figure is 15,000 in Essex and 18,000 in parts of Kent. That is a 600% variation. With local government reorganisation on the cards, does the Minister agree that that founding socialist principle of electoral equality should be enshrined in the design principles of the new councils; that is, that the electoral quotient should be broadly similar throughout England, as it is in the other place, where a 5% tolerance is set down by law?

Baroness Taylor of Stevenage (Lab): I am delighted to hear that the noble Lord is educating himself on the socialist principle of the Tolpuddle Martyrs. I hope that that will continue; I am happy to help if he needs any support with it.

Basically, I believe that the noble Lord is comparing apples with pears here. The Local Government Boundary Commission for England provides very good guidance on determining councillor numbers. When it is decided where the new unitaries will be, it will look at the overall size of councils and then at warding and divisional boundaries within those councils—I am sure that the noble Lord has been through this process himself. It does that with fairness and equity; it bases its views on electoral equality, reflecting local communities and interests and responding to local views—as it has done for many decades and will, I am sure, continue to do.

Baroness Armstrong of Hill Top (Lab): My Lords, I apologise for being too keen.

Does my noble friend the Minister recognise that, if one simply thinks about numbers, it can end up being a perverse electoral solution that undermines local people's faith in who represents them? When community cohesion is totally ignored for numbers, many people begin to think, "Well, I don't know who represents me and what they're doing". Will the Minister try to make sure that any guidance for the future takes account of communities as well as of stark numbers?

Baroness Taylor of Stevenage (Lab): My noble friend is absolutely correct. There has to be a focus on numbers to ensure that they are roughly equitable, but there are also other important considerations. Reflecting local communities and their interests is part of the boundary commission's work, as is responding to local views. Whenever we have reviews of electoral boundaries, those local views should be properly taken into account. I will of course try to ensure that this continues.

Lord Rennard (LD): My Lords, is it not a bigger problem that many local councils are unrepresentative of their electorates? They can even become one-party states, because of the first past the post system entrenching the same party in power for decades. Is it not time that England followed Scotland, Northern Ireland and Wales in holding council elections with proportional representation so that council composition properly reflects the votes cast?

Baroness Taylor of Stevenage (Lab): I have heard this view from the Liberal Democrats for many years in local government. The first past the post system means that the electorate decide who is in charge of our local councils. That is up to them. It is a straightforward system which is widely appreciated by the people who engage with it. That is not to say that we cannot do more to encourage involvement in local elections. We will continue to do so.

Baroness Scott of Bybrook (Con): My Lords, if His Majesty's Government do not have any plans to restructure London councils or any other metropolitan areas such as Manchester or Birmingham, can the Minister explain why the Government believe that those living in more rural parts of our country deserve less representation than those living in our cities?

Baroness Taylor of Stevenage (Lab): We believe that everybody should have proper representation. While we are undergoing the devolution programme in the rest of England, we will not be looking at those metropolitan areas, but that is not to say that it will never happen.

The Lord Bishop of St Albans: My Lords, to build on that question, there is a lot of concern in rural areas that where they are to be added to a large unitary authority which is dominated by an urban area, they might miss out. What will be put into the criteria to ensure that there is fairness of services in those rural areas?

Baroness Taylor of Stevenage (Lab): It is very important that people do not lose their sense of place as this devolution programme goes forward, and they will not. The places will still exist. I have been talking to the associations that reflect the views of local councils—town and parish councils. We will support them in local areas, so they will definitely have a voice in this new system. The electorate will of course be able to decide at election times whether they are being properly represented.

Lord Rooker (Lab): Does my noble friend recall the point about not having national equality for local government? Whereas the average ward in London had 6,000 electors, the average ward in Leeds had 15,000 electors and the average ward in Birmingham had 20,000 electors. You cannot run a national system when you have such a variety of issues. Surely it must suit the locality.

Baroness Taylor of Stevenage (Lab): The boundary commission is focused on making sure that the structure of the electoral wards and divisions meets the needs of the council concerned; that is, in respect of the types of decisions being taken, the need for strategic leadership in those areas to enable the appropriate scrutiny of decisions and making sure that councillors can meet their community responsibilities. It has been doing this for decades, and I am sure it will continue to do so.

The Earl of Devon (CB): My Lords, to add another voice of rural concern, is there not a danger that coupling local government re-organisation with such wholesale reform of planning, while promising 1.5 million new homes, threatens complete local government meltdown and undue stress on local authority planning departments?

Baroness Taylor of Stevenage (Lab): I have met a huge number of local government representatives and MPs in the last couple of months. They are all determined to ensure that this process goes through smoothly without impacting on "business as usual" for local government. They are all very committed to doing that and have been very positive in their response to it. They see the benefits of the new arrangements in making local government more efficient and effective for the people whom they serve—which is what everyone in local government is looking for.

Lord Porter of Spalding (Con): My Lords, I bring the House's attention to my interests in the register: primarily, that I am a vice-president of the Local Government Association. Before I ask my question—I am probably not supposed to say this—the response that my noble friend on the ministerial side gave to my noble friend on the opposition side seems to be at odds with the answer that my noble friend on the government side gave me few weeks ago when we discussed small unitaries, because the White Paper does refer to them. It appeared that London and other small unitaries, which is most of the councils in the country, were in scope for this conversation, but it now appears that they are out of scope. I am quite happy for her to write to me to clear that up.

One thing that restricts the ability to make new councils that look sensible is the rule that says we cannot break through existing district boundaries to create a new council—that seems at odds with creating sensible boundaries—as does not being able to have two police and crime commissioners. Can my noble friend the Minister on the other side—because she is—please give me an answer as to whether those two things will be in scope?

Baroness Taylor of Stevenage (Lab): On the noble Lord's first question, we have a priority programme and have already set out who is in scope for that, and we have a local government reorganisation going on. Any other considerations will come later in the programme.

It is possible to consider boundary changes as part of this process; we are discussing that with the local authorities. They will come forward on 21 March to set out their proposals. If they involve boundary changes, we will engage the Local Government Boundary Commission to take care of those.

Post Office Horizon Scandal: Compensation Payments

Question

3.11 pm

Asked by ***Lord Sahota***

To ask His Majesty's Government what progress has been made in paying compensation to victims of the Post Office Horizon scandal.

The Minister of State, Department for Business and Trade and Treasury (Baroness Gustafsson) (Lab): My Lords, the Government have made significant progress in delivering redress to victims of the Horizon scandal. As of 31 January, approximately £663 million was paid to over 4,300 claimants, an increase of £69 million on the previous month. Delivering swift redress remains a priority and we are grateful to the noble Lords, Lord Arbuthnot and Lord Beamish, for their support as part of the Horizon Compensation Advisory Board.

Lord Sahota (Lab): I thank the Minister for the Answer and the Government for allocating £1.8 billion to settle the Post Office claims. As we all know, the police are investigating the conduct of Post Office managers in this whole sordid affair. Some of them could be charged with corporate manslaughter and perjury, so why are they still involved in administrating the Post Office compensation scheme? Also, why do the claimants not have free legal advice paid for by the scheme administrator? I am sure some find navigating through the whole legal system extremely difficult, especially some Asian sub-postmasters.

Baroness Gustafsson (Lab): I thank my noble friend for the question. He is right: of the four schemes that are available, two of them are administered directly by the Post Office, while the other two are administered by the Department for Business and Trade. This is a matter that is currently being reviewed by the Department

for Business and Trade, and there is consideration being given to whether that administration should be brought within the department. However, as part of that consideration, we cannot inadvertently create some environmental factors that may accidentally slow down the process of those claims. We are looking into this and trying to make sure that we deal with these expeditiously, while ensuring we do not inadvertently create unintended consequences by bringing those within the department.

With regard to the legal claims that are in process and whether those legal fees are addressable, there is significant legal support available for each of the claimants, and those legal fees are being reimbursed. But I understand that the process is a complex one, that people have suffered a great deal already and that the process can be quite cumbersome. Whilst this cannot always be avoided in all cases, the Government have worked hard to try to alleviate some of this by making some fixed-sum offers available, which go some way to making the process a lot simpler for claimants.

Lord Arbuthnot of Edrom (Con): My Lords, the Minister has declared my interest as a member of the Horizon Compensation Advisory Board. Attention has rightly focused on the contribution to be made by Fujitsu to the compensation payable, and I hope it is very substantial, but the auditors of the Post Office, Ernst & Young, should also bear their share of the blame. I asked the chair of the inquiry to include in his inquiry what the auditors knew and did not know, and he decided that that would lengthen the inquiry disproportionately. That means that the auditors who certified that the Post Office accounts presented a true and fair view of the Post Office finances, and yet somehow missed a liability of £1.87 billion, will not be held to account. What can we do about that?

Baroness Gustafsson (Lab): I thank the noble Lord not only for his question but for his significant contribution to the role, and I pay tribute to him for his long-standing commitment to resolving the Horizon scandal and his work within the advisory board. He is right that Sir Wyn Williams' inquiry chose not to look at the issues concerning the audit of the Post Office. I know colleagues on the advisory board have aired these matters with the Financial Reporting Council, which is the right thing to do, and I look forward to ultimately hearing the outcome from the FRC.

Lord Wigley (PC): My Lords, the Minister referred to 4,500 cases having been settled, if I heard her correctly. Can she tell the House how many more cases are awaiting, and by what stage would she expect to reach, say, 90% payment? These people have been waiting for so long, and justice delayed is justice denied.

Baroness Gustafsson (Lab): I thank the noble Lord. The volumes coming through each of the schemes are very differing. If I take the HSS, for example, which is the scheme with the most volume, a significant volume is going through that: 3,400 offers have been accepted and 3,350 claims have been paid in full. However, there are 7,082 claims out there that are still being looked at, and making sure we address them quickly is a priority of the Government. A lot of activity has been taken in that regard—for example, giving fixed-claim sums to claimants—with the goal of speeding up the process.

The noble Lord referred to the 90% target that the department applies to the schemes that are operated by the Department for Business and Trade. I note that, in particular, the GLO scheme is operating at 89%, against the target of 90%. That 90% is about claims being reviewed within 40 days of receipt. There are some ideas that we could perhaps up that target—why would it not be 100%?—but there is a balance to be struck there, because the claimants need to make sure that they are getting appropriate time to review and understand the offer being made to them. We do not want to inadvertently apply some pressure or duress for them to review those claims in a process that suits our timelines but perhaps not theirs, so, at this point, that 90% target is appropriate.

Baroness Brinton (LD): My Lords, last week the National Audit Office reported that, under the last Government, inadequate data from government had held back the 2023-24 audit of the Post Office Horizon compensation schemes, and there was also a breach in spending limits, which undermines rules of control over public spending. What are the Government doing to ensure that this never happens again?

Baroness Gustafsson (Lab): If I may refer specifically to the Horizon scandal and how we are making sure that a scandal of this level never happens again, there is a significant undertaking with the Sir Wyn Williams review looking at exactly this matter of understanding how a scandal of this scale was allowed to come about, the accountability that operates there and that the right people are held accountable, and of ultimately making sure that something to this extent can never happen again.

Lord Sharpe of Epsom (Con): My Lords, in December we had a very similar Question. I asked then whether the Minister could

"tell us what safeguards are being put in place to ensure that no authority, public or private, can act with unchecked power similar to that exercised by the Post Office during the Horizon case".—[*Official Report*, 12/12/24; col. 1874.]

The Minister said she would have more information on this in the future. I was wondering if she could therefore provide an update to the House on progress.

Baroness Gustafsson (Lab): The purpose of the Sir Wyn Williams review is specifically to look at how this was able to occur within the Post Office, and make sure that those lessons have been learned. We are expecting the outcome of that review to be within some months, but I would anticipate before the end of this calendar year.

Lord Stirrup (CB): My Lords, the noble Lord, Lord Arbuthnot, referred to Fujitsu. Can the Minister update the House on what financial contribution Fujitsu is expected to make to the cost of the compensation

[LORD STIRRUP]
package for the victims of this appalling scandal? In how many government contracts does Fujitsu continue to be involved today?

Baroness Gustafsson (Lab): Fujitsu has acknowledged a moral obligation to support the Government in respect of the financial redress that should rightly be made to the victims of this scandal. We are awaiting the outcome of the Sir Win Williams review, which will go a long way to understanding the scale to which this financial contribution should be made. Ultimately, this will be made in the light of that evidence.

Regarding the ongoing relationship with Fujitsu, Fujitsu has agreed not to make new bids for business within government. That being said, there are existing relationships within departments with Fujitsu, where perhaps they feel that the necessary skills or capability is something that is uniquely held by Fujitsu. In those cases, the contracts may continue to exist, but ultimately that is a decision within the department.

Lord Beamish (Lab): My Lords, I declare an interest as a member of the Government's Horizon Compensation Advisory Board. The Government put in £1.8 billion to compensate victims—money that was not put in by the previous Government—to compensate victims of the Horizon scandal. Picking up on the question from the noble and gallant Lord, Lord Stirrup, on Fujitsu's responsibility, I have been campaigning on this for many years, and we all knew nearly 15 years ago that company's role in it. The inquiry clearly highlighted that as well. The Minister said that it had accepted that it had a moral obligation to pay compensation, but what discussions have the Government had with Fujitsu to start paying money forward? She says that it is not bidding for new contracts, but it is making multi-billion-pound profits from extensions of contracts, so may I urge the Minister to get it to the table as quickly as possible?

Baroness Gustafsson (Lab): I think that urging is heard and encouraged. Having said that £1.8 billion has been set aside, I remind the House that this is not a limit or target; it is just the best estimate. Ultimately, the Government will do what they can to fully compensate the victims of this scandal. Fujitsu has an important role of being financially responsible for some of this, and there are ongoing conversations within the department and with Fujitsu. Ultimately, the outcome and report of the inquiry by Sir Wyn Williams will be an important determinant of this.

International Criminal Court: US Sanctions

Question

3.23 pm

Asked by ***Baroness Kennedy of The Shaws***

To ask His Majesty's Government what steps they are taking in response to the sanctions imposed by the President of the United States of America on staff working for the International Criminal Court; and whether they will confirm their commitment to the Court and its work in pursuit of justice.

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office (Lord Collins of Highbury) (Lab): My Lords, the Government have repeatedly expressed their support for the independence of the International Criminal Court, including, most recently, last week, by joining a statement together with 70 other states parties. Imposing sanctions against ICC officials impedes the court's ability to carry out its important work of investigating and prosecuting the most serious crimes of international concern. We are in contact with the US Administration and British nationals employed by the ICC to understand the possible implications of these measures.

Baroness Kennedy of The Shaws (Lab): My Lords, let me immediately thank my noble friend for his reassurance that the UK is resolute in its support for the ICC. The world will never see peace if there is no entity that will pursue justice for victims of egregious crimes. There cannot be impunity for our allies. Even now, the court is working on files to bring yet more members of Hamas to trial for the atrocities that took place on 7 October. It is assisted in this painful work by Israeli lawyers for the families of the hostages and the families of the Israeli dead.

Work continues also on the investigation of potential war crimes in Gaza. Do the Government accept that this new executive order attacks the fundamentals of the court and its functioning? Will the Government inform the United States Administration in the contacts that they have that Article 70 of the Rome statute forbids the obstruction of justice? There can be no impeding of any officer of the court in carrying out their duties, and arrest warrants can follow. Will the Government advise the President of the risk he faces of an arrest warrant being issued for him?

Lord Collins of Highbury (Lab): My Lords, as my noble friend is very much aware, successive UK and US Administrations have taken a different view on the ICC. For example, the UK, as she rightly points out, is a signatory to the Rome statute; the US is not. The UK supports fully the independence of the ICC and we do not support sanctioning individual court officials. Our focus remains on ensuring that the ceasefire can be sustained, that a surge of vital aid can reach those most in need in Gaza and that all remaining hostages are released and reunited with their families. That is our goal, we are working with the US at all levels on it, and we will continue to do so.

Lord Farmer (Con): My Lords, Israel's judicial system is actively investigating cases of suspected misconduct by Israeli soldiers and petitions on humanitarian issues in Gaza. The ICC chief prosecutor recognised in December 2023 that the military receives independent legal advice on the legality of every air strike. The ICC complements, rather than replaces, national criminal systems, prosecuting cases only when states are unwilling or unable to do so. So, it had no authority to intervene here. Does the Minister agree with that?

Lord Collins of Highbury (Lab): Of course, I agree that where states fail to properly investigate, the ICC has a right to step in. In this case, as the noble Lord

pointed out, Israel has undertaken a due and proper investigation, so I agree with the noble Lord in that particular case.

Lord Thomas of Gresford (LD): Will the Government inform Donald Trump that the forcible transfer of the population of Gaza will be an Article 7(1)(d) crime against humanity, and that under Section 2 of our own domestic International Criminal Court Act 2001, our Attorney-General has no discretion but to endorse any warrant of arrest for the President issued by the ICC for execution in the United Kingdom? That will mean no more golf for the President at Balmedie and Turnberry, and, certainly, no more cups of tea and parades with our good King Charles.

Lord Collins of Highbury (Lab): My Lords, I am going to repeat what I said. The ceasefire and the return of the hostages were negotiated with the United States with the support of the United Kingdom, and the Presidents of the United States were heavily involved in that ceasefire. Our focus is absolutely to ensure the return of all hostages, and that peace can continue in Gaza so that we can get the humanitarian aid in. That is what we are focused on. I am sorry that I do not agree with the noble Lord at all.

Lord Alton of Liverpool (CB): My Lords, in welcoming what the Minister has just said, I ask: would he not agree that one of the outstanding legacies of the Jewish lawyer, Raphael Lemkin, who saw more than 40 members of his family murdered during the Holocaust, was the creation of the international architecture that led to the Rome statute and the creation of the International Criminal Court? Would it not be better for those countries that are not members of the ICC to join the United Kingdom in becoming members of the ICC and to uphold the principles that the noble Baroness outlined? Given what the Minister said about the conversations that he is having with colleagues in the United States, when a noble Baroness such as the noble Baroness, Lady Kennedy—an outstanding human rights lawyer—is threatened herself with visa restrictions and even potential fines for dealing with clients who are part of the process of the International Criminal Court, must we not protest about that in the strongest possible terms?

Lord Collins of Highbury (Lab): The noble Lord is absolutely right. The ICC is the primary international institution for investigating and prosecuting the most serious crimes of international concern. We urge all countries to support it and we urge them to sign the Rome treaty. We know that the US, whether it has a Democrat or Republican President, has refused to do so, but that does not stop us focusing on how we deal with these crimes and how we can build alliances to ensure that they do not happen again. The noble Lord is absolutely right about the rabbi. We do need international law, we need international law to be upheld and we urge all countries to do so.

Baroness Northover (LD): My Lords, on the question my noble friend asked just now, can the Minister clarify that he would agree, as his Ministerial colleagues have agreed, that the forcible transfer of the population of Gaza would be a crime against humanity and against international law? I know that he distanced himself from some other elements of what my noble friend said, but, on that, can he clarify the Government's position?

Lord Collins of Highbury (Lab): As the noble Baroness will recall, I absolutely made clear the position of the Government in relation to forcible removal of Gazan citizens, or Palestinians, from Gaza. I made that very clear in the recent repeat of the Urgent Question and I reassure her that our position has not changed.

Lord Sandhurst (Con): My Lords, the USA is not a party to the Rome statute, which created and governs the International Criminal Court. Does the Minister agree that the USA is entitled to do as it pleases with regard to that court? Secondly, in the light of the ceasefire, is there any change to His Majesty's Government's position on the arrest warrant for Mr Netanyahu?

Lord Collins of Highbury (Lab): Let me begin by repeating what I have said before: we believe in international law, we support the ICC and we support the Rome treaty. We are absolutely committed to these and we urge all others to do so. But there has always been a difference between the United States' position and the United Kingdom's. I repeat that what we want to do is ensure that peace returns to Gaza and that full humanitarian aid can get back in, and we absolutely urge the return of all the hostages. That is our position, that is our objective and that is our aim.

Baroness Butler-Sloss (CB): My Lords, in the light of what President Trump has said—that if all Israeli hostages are not returned by noon on Saturday, all hell should let loose—can I ask the Minister what the approach of the British Government is?

Lord Collins of Highbury (Lab): The United Kingdom Government are deeply concerned about reports that Hamas has delayed the next hostage release. We want to see the continuation of ceasefire negotiations and ensure the full flow of aid and ongoing release of hostages. We must build confidence on all sides that helps sustain the ceasefire and move it from phase one through to phase three: that is our commitment. The US has played an integral role in negotiating the ceasefire agreement between Israel and Hamas, along with Qatar and Egypt. We will continue to work with the United States Administration to ensure regional security and stability, including ensuring a lasting peace for Israelis and Palestinians.

Arrangement of Business

Announcement

3.33 pm

Captain of the Honourable Corps of Gentlemen-at-Arms and Chief Whip (Lord Kennedy of Southwark) (Lab Co-op): My Lords, I thought it would be helpful to make a brief statement to the House on how business

[Lord Kennedy of Southwark]
will work today. The House of Commons has sent its message on the Water (Special Measures) Bill. We are hoping to consider it today, around the dinner break on the Great British Energy Bill. This, as usual, will be at a convenient point around 7.30 pm, depending on the progress of the Great British Energy Bill. Once the Public Bill Office has printed the Commons Motions, noble Lords will have one hour to table any Motions for consideration. We will announce the precise deadline via the usual channels and on the annunciator in the usual way. We will notify the House of any other changes as soon as possible.

Regulation of Cycling Bill [HL]

First Reading

3.36 pm

A Bill to amend the Road Traffic Act 1988, the Road Traffic Offenders Act 1988 and the Vehicle Excise and Registration Act 1994 to regulate cycling.

The Bill was introduced by Lord Hogan-Howe, read a first time and ordered to be printed.

General Cemetery Bill [HL]

Second Reading

3.36 pm

Moved by ***The Senior Deputy Speaker***

That the Bill be now read a second time.

Bill read a second time and referred to the Examiners.

Norwich Livestock Market Bill [HL]

Second Reading

3.37 pm

Moved by ***The Senior Deputy Speaker***

That the Bill be now read a second time.

Bill read a second time and committed to an Unopposed Bill Committee.

Institute for Apprenticeships and Technical Education (Transfer of Functions etc) Bill [HL]

Third Reading

3.37 pm

Motion

Moved by ***Baroness Smith of Malvern***

That the Bill do now pass.

The Minister of State, Department for Education (Baroness Smith of Malvern) (Lab): My Lords, noble Lords will be aware that this is National Apprenticeship Week. There is much to celebrate and much to build on. It is therefore fitting that this Bill leaves this House this week. It paves the way for an ambitious new body in the skills landscape, Skills England, to build an apprenticeship and training offer that is fit for the future.

The Bill has benefited significantly from the scrutiny of this House, and I thank all who engaged with and supported it. I am particularly grateful to Peers from across the House who shared their insight into the skills system and underscored the importance of skills to growth and opportunity. I thank my noble friend Lord Blunkett, my first ministerial boss, for his advice and the wealth of experience that he brings to this House. I thank the noble Baroness, Lady McGregor-Smith, for her contributions to debate, but more importantly, for her invaluable work as the chair of IfATE in preparing for the smooth transition of its work and people into Skills England. I thank the Constitution Committee and the Delegated Powers and Regulatory Reform Committee.

The Government have a strong democratic mandate for reforming the skills system and establishing Skills England. It is heartening that, while we might not have agreed on everything, there is deep support for Skills England and its vital work from across the House, and I am grateful to noble Lords for their engagement in helping us to get the details right. I appreciated the considered amendments from the noble Baroness, Lady Barran, and the noble Lords, Lord Storey, Lord Ravensdale and Lord Addington, and our engagement with these Lords, as well as with the noble Baronesses, Lady Wolf and Lady Garden, and the noble Lords, Lord Aberdare and Lord Hampton. I am pleased that this House has recognised that the Bill is a crucial step towards a skills system fit for the future that delivers for our growth and opportunity missions.

As noble Lords are only too aware, significant skills gaps limit business growth and individual opportunity. Skills England must tackle these gaps and develop the skills we need for our future economy too. To do this, it will need to work with industry, employers and other key partners across the economy. I am delighted that the leadership of Skills England has been confirmed today, with Phil Smith appointed as chair alongside Sir David Bell as vice-chair. As the former CEO and chair of Cisco, Phil Smith will ensure that Skills England benefits from his experience and leadership in industry, particularly within a sector—digital and technology—identified as a priority for the Government's industrial strategy.

Appointing this team shows how serious we are about the full and rapid establishment of Skills England. It has been operating in shadow form since July last year, and preparations for full transition are well advanced. I must be clear that delay, which this House considered on Report, would create additional uncertainty for employers, learners and IfATE staff, undermining the ongoing preparation for their transfer. Crucially, a delay to the full formation of Skills England would limit progress in tackling skills gaps to drive growth and promote opportunity; this is my prime concern.

Finally, I record my thanks to officials at the Department for Education, including the Bill team, policy leads, government lawyers and my private secretary, all of whom have worked incredibly hard to support me through the passage of the Bill. I beg to move.

Lord Storey (LD): My Lords, it is appropriate that during National Apprenticeship Week we are coming to the end of the first part of this Bill. It was one of

those few Bills where it was a pleasure and a joy to be involved. Everybody wants the same thing—we have a few little differences but we all work together. I am particularly grateful to the Minister, who gave of her time enormously, which is much appreciated. Colleagues right across the House have all worked together in the interests of young people and the skills agenda.

On this side, I particularly thank my small but perfectly well-formed education team of my noble friends Lord Addington and Lady Garden, and Adam Bull in our Whips' Office, who did incredible work. I do not particularly know the Bill team, but I am sure it did fantastic work. I thank everybody. We will come back to this, but I think the work that has been agreed will do a considerable amount to develop the whole skills agenda and the growth agenda in our country.

Baroness Barran (Con): My Lords, I thank the Minister for her engagement throughout the passage of the Bill and her willingness to meet and discuss different aspects of the legislation. I am also grateful to all noble Lords who brought their expertise to our detailed deliberations and to those across the House who supported each other's amendments in a truly collaborative way. My special thanks go to my noble friend Lord Effingham, who has given me great support throughout the passage of the Bill, and to Beatrice Hughes in our research team.

During the Bill's passage we secured several important concessions from the Government, including a commitment to include wording that focuses on quality, value for money, efficiency and effectiveness in the framework document, mirroring the original IfATE legislation. We very much welcomed the amendments the Government brought forward on transparency and reporting.

Our concerns remain about the practical implementation of Skills England. We very much welcome the appointment of Phil Smith as chair of the agency and wish him every success. He clearly brings enormous experience and expertise to the board, but across the House we have flagged concerns about ensuring that the voice of employers remains central to the work of Skills England. I know the Minister has sought to reassure us on that point. We have also had very constructive conversations about the regional coherence of the proposed plans and, of course, the scale of the task that faces Skills England in co-ordinating work across Whitehall.

We very much hope that the Government will think hard about our amendment to delay the abolition of IfATE to give Skills England the time to set itself up for success. We also hope that the Bill will be accepted in its current form in the other place so that, in the nicest possible way, we do not see it again in your Lordships' House.

Baroness Smith of Malvern (Lab): My Lords, I thank the noble Lord, Lord Storey, and the noble Baroness, Lady Barran, for their responses. I certainly undertake to engage with the noble Baroness and others on concerns around delay. I am pleased that the Bill has the support of so many noble Lords.

As I said in my opening remarks, the Bill has hugely benefited from robust review and revision in this House, as have I. If there were an apprenticeship for being a Lords Minister, this would definitely have been a key element. I hope I have learned things that will help me as we come to the next Bill we will have the pleasure of taking through this House, which I suspect might take us slightly longer.

I hope that this Bill will have a swift passage through the House of Commons, and I thank noble Lords for their engagement.

Bill passed and sent to the Commons.

Great British Energy Bill

Report

Welsh and Scottish legislative consent granted, Northern Ireland legislative consent sought.

3.46 pm

Amendment 1

Moved by ***Baroness Noakes***

1: After Clause 1, insert the following new Clause—

"Objectives

Great British Energy's objectives are—

(a) to reduce energy costs in the United Kingdom in a sustainable way,

(b) to enhance the United Kingdom's energy security,

(c) to increase the levels of clean energy generation in the United Kingdom, and

(d) to increase the availability of long-term energy storage infrastructure in the United Kingdom."

Baroness Noakes (Con): My Lords, I thank the noble Lord, Lord Vaux of Harrowden, for adding his name to Amendment 1. The amendment would add to the Bill a statement of objectives for Great British Energy.

In Committee we had a couple of debates about the difference between objects and objectives. While the words are closely linked etymologically, they mean rather different things in the context of the Bill. Objects are specified in Clause 3 in the context of Great British Energy's articles of association, which is a document required by company law. Prior to the Companies Act 2006, every company had to have an objects clause, which defined the extent of the powers of the company. Since that Act, objects of a company are unlimited unless the articles specifically restrict its objects. That is what Clause 3 does—indeed, it uses the word "restricted" in subsection (2). Clause 3 does not require Great British Energy actually to do any of the listed activities—rather, it prevents Great British Energy carrying out things that cannot be fitted within the scope of the subsection (2) list.

My proposed new clause focuses on what Great British Energy should be achieving, rather than what it can and cannot do. It can then be held accountable if it fails to achieve what it was set up to do. Accountability is one of those concepts that is deeply unsexy but absolutely essential in the world of quangos.

Quangos such as Great British Energy are typically given a significant degree of independence, and Ministers, when it suits them, typically hide behind that independence.

[Baroness Noakes]
If strong accountability foundations are not created when a body is formed, Parliament will find it difficult to hold that body to account at a later stage.

The objectives that I have drafted in this amendment are fourfold. I have attempted to draft them in a politically neutral way that I think represents what the Government want to achieve with Great British Energy. I would not have drafted these objectives for Great British Energy, given a free hand—but then, given a free hand, I would probably not have set Great British Energy up.

The first objective is

"to reduce energy costs … in a sustainable way".

I think there is common agreement that UK energy costs are too high, particularly for business consumers and by comparison with international standards. The other three cover energy security, levels of clean energy, and long-term storage infrastructure, which align with the Government's aims for Great British Energy. If the Government prefer different words, I am not wedded to these ones and would be happy to discuss alternative formulations.

The Minister may well say that all of this will be covered by the strategic priorities to be set under Clause 5. Since the Government have refused to share even an outline of the strategic priorities which they intend to set for Great British Energy, or the framework document which will be agreed with it, it is difficult for the House to tell whether that is the case. In terms of ordinary usage of language, strategic priorities are not the same thing as objectives. Priorities might simply be things that the Secretary of State wants Great British Energy to focus on—perhaps based on technologies, types of energy, geographic locations and those sorts of things—but they might well fall well short of describing what Great British Energy is intended to achieve.

This amendment is not about the Government's energy policies or the role of Great British Energy in those policies. It is straightforwardly about accountability and laying the foundations for Great British Energy to be held accountable in an effective way in due course. Great British Energy should, I submit, be judged on the outcomes that it achieves. There is a danger that if objectives are not set up front, we will be able to judge it only on what it has done and not what it has achieved. That is tantamount to giving Great British Energy a free pass on accountability.

I have also added my name to Amendment 37, in the name of the noble Lord, Lord Vaux. There are two important issues here, one general and one specific. The general point is that it is quite normal for the Government to take powers to specify what a public body reports on. Private sector reporting rules that exist for companies do not automatically ensure that the interests of public sector accountability are supported and, in many cases, public sector bodies do things that simply do not happen in the commercial sector. That will be the case for Great British Energy.

My specific issue is a subset of that general point. We need to make sure that Great British Energy reports on the extent to which it has achieved additionality, as in paragraph (d) of the proposed new subsection in Amendment 37. Additionality is a public sector concept and there is nothing in Companies Act reporting requirements that would ensure Great British Energy included relevant data and analysis. I believe we should ensure that this information is available routinely.

Lastly, this is a bit of a dustbin of a group, with a lot of individual things in it, but I will comment briefly on Amendment 17, in the name of the noble Earl, Lord Russell, which would require the Government to give Great British Energy £8.3 billion of financial assistance during this Parliament. I have remarked before that the £8.3 billion is nowhere to be found in the Chancellor's Budget. The noble Lord, Lord Cryer, wrote to me after one of our Committee days, for which I thank him, to confirm that the Budget made no provision for Great British Energy beyond the £125 million to be spent in the next financial year. It is all to be settled as part of the current spending review.

If I were the Secretary of State for Energy Security and Net Zero, I would be looking at the deteriorating economic environment, made much worse by the Budget, with some concern. The fiscal rules are already under threat and I would not put my money on the Chancellor finding headroom for the full £8.3 billion promised in the manifesto. I shall be especially interested to hear what the Minister says in response to Amendment 17. I beg to move Amendment 1.

Lord Vaux of Harrowden (CB): My Lords, I shall speak to Amendment 37 in this group and to Amendment 1, which has been introduced by the noble Baroness, Lady Noakes, and to which I have added my name. Before I start, I thank the Minister and his team for the very constructive and helpful discussions that we have had since Committee. We have made good progress and I am very grateful. I also thank the noble Baroness, Lady Noakes, and the noble Viscount, Lord Trenchard, for their support for my Amendment 37.

The noble Baroness, Lady Noakes, has already introduced Amendment 1 with her usual clarity, so I will try not to repeat her too much. As we discussed at some length in Committee, this Bill creates GBE as an entity, but nowhere does it set out what GBE is actually expected to achieve—what its aims or objectives are. As the noble Baroness just pointed out, Clause 3 sets out its "objects", but we should be completely clear that the objects set out only what the company is allowed to do, not what it is intended to achieve. The only place where the company's aims will be set out will be in the statement of strategic priorities in Clause 5. However, we have not seen these, even in draft. They will be published sometime in the future and are not subject to meaningful parliamentary scrutiny. They will be laid before Parliament, but there is not even the level of scrutiny that may be applied to a negative statutory instrument. Your Lordships' Constitution Committee described this as being "disguised legislation".

It is important that the Bill should include, at least at a high level, some statement as to what GBE is actually intended to achieve. The noble Baroness, Lady Noakes, should be commended for not trying to score political points with her Amendment 1, which is why I have supported it. I think that she has tried to align the objectives in her amendment with what the Government have said are the goals for GBE, so

I hope the Minister will look kindly on it. If not, and if the noble Baroness were to divide the House, I would be minded to support her.

My Amendment 37 covers similar ground to my amendments in a later group. I apologise: I was told at a late stage to degroup them on the advice of the Public Bills Office, for some esoteric reason that I am not sure I fully understand. These amendments all try to inject some much-needed transparency and accountability into the Bill—something that is currently somewhat lacking. The only reporting that GBE must do, as it stands, is the annual report and accounts that it must file in accordance with Section 441 of the Companies Act. We had a lot of discussions on this in Committee and the Minister undertook to write to set out the additional requirements that will apply to GBE as a publicly owned entity. I thank him for his letter, which I think satisfies the first three proposed new paragraphs of my Amendment 37. The element that would still not be covered, as the noble Baroness just pointed out, is the assessment of the extent to which the investments or partnerships entered into by GBE have encouraged additional investment by the private sector.

This is extremely important. If all that GBE does is make investments that would happen anyway in the private sector then that would not be a good use of public money. Indeed, it could actually damage the creation of a thriving market for financing green energy—the well-documented concept of crowding out. There is an important role for GBE, just as there is for the UK Infrastructure Bank, now called the National Wealth Fund, to act as a catalyst to kick-start or accelerate investment in new technologies where the private sector is not yet ready to invest. There is a good precedent for this: it can be very strongly argued that the offshore wind industry, now so successful, would have been much slower to develop without the initial backing of the European Investment Bank, which the UK Infrastructure Bank was designed to replace in this country.

If the Minister will confirm clearly that he would expect GBE to report in its annual report and accounts on the extent to which it achieves additionality then I will be happy not to press Amendment 37.

Earl Russell (LD): My Lords, I will speak to my Amendment 17 in this group. This probing amendment seeks further clarity from the Minister on the Government's commitments to Great British Energy's budget. It seeks information on the timing of the delivery of the budgets that have been promised and further clarity on Great British Energy's ability to borrow funds in the future.

I have raised a probing amendment on Report because, as we have heard, this money is still subject to the spending review, and we have seen recent announcements from the Chancellor surrounding growth. For those reasons, we seek clarity that the £8.3 billion up to 2029 is available as promised and will be delivered. We previously saw cuts to Labour's £28 billion green deal before the election. The key thing—and I hope the Minister will agree—is that there is absolute clarity on these matters; that is needed for securing the £60 billion in private investment. We need clarity and consistency in policy direction, which I hope this Government will maintain.

4 pm

We have discussed wider issues on the budget and the borrowing powers that may be available to Great British Energy at some point in the future. I appreciate that the company is being set up, and that these matters are being actively discussed with the Treasury, but it would be useful if the Minister could give some update to the House on where the Government's thinking stands on these matters.

My understanding is that the basic assumption is that Great British Energy will be set up and that, when it is established, it should be given borrowing powers in the future. Can the Minister say what the timeframes are for giving those borrowing powers? What kind of prerequisite conditions is GB Energy expected to meet before the Treasury gives it those powers? I hope that the Minister agrees that, if the Treasury has too tight fiscal controls in its handling of GB Energy, and GB Energy was not given these investment powers so that it could borrow to invest in growing, taken together this would restrict the ability of GB Energy to meet its objectives as set out in the Bill.

GB Energy is in a unique position—a different position from private companies—in that it can take a long-term and strategic view of the UK's future energy needs. Indeed, it can make investments that other private companies may not be capable of or just simply will not make. Those investments are in the long-term national energy interest of the UK. Therefore, I seek clarity on all those matters.

Turning to the other amendments in this group, I thank the noble Baroness, Lady Noakes, for speaking to my amendment and raising the point about the budget, and for her Amendment 1, and the noble Lord, Lord Vaux of Harrowden, who has added his name to it. We do not oppose the spirit of the proposed new clause, but we are not absolutely certain that it is necessary in the Bill. We believe that GB Energy, by its very nature, will reduce our energy costs and enhance our energy security. I have a slight issue with the words "in a sustainable way"; I suspect that my reading of them and that of the noble Baroness might be slightly different.

GB Energy will fundamentally increase the levels of green energy that is generated and free us from the fluctuations of foreign energy markets. We believe that these are settled matters that the Minister himself has spoken to from the Dispatch Box. We have more sympathy for the issue of long-duration energy storage. On that point, it would be useful if the Minister could say that it is his belief that the strategic priorities for GB Energy will engage in long-duration energy storage.

Lord Hamilton of Epsom (Con): I am grateful to the noble Earl. He said that he thinks that green energy will lower costs. So far, green energy has actually raised costs. Why should it lower costs in the future?

Earl Russell (LD): I thank the noble Lord for his intervention. Green energy over time will lower costs. There is an initial hump to get over with investment, but the trouble that we need to address is our increasing and continued dependence on the vast fluctuations in foreign gas markets. We saw what happened with the war in Ukraine, and we saw that the noble Lord's

[Earl Russell]
Government had to invest £40 billion towards subsidising bill payers—money that was invested for no long-term benefit. We must get away from those things and we must have energy security. These are investments in Britain and in reducing our bills, and they are worthwhile doing. It is really important that GB Energy invests in these emerging technologies. That is why I have raised my amendment on GB Energy's ability to borrow; if GB Energy cannot borrow it will not be able to make these key investments.

Amendment 20, tabled by the noble Lord, Lord Offord of Garvel, and the noble Earl, Lord Effingham, is about the annual report and financial assistance provided to GB Energy. We expect this to happen, so do not feel that the amendment is necessary.

We support the spirit of Amendment 37, but expect the Treasury to require all these areas to be reported on. Having reflected on what was said in Committee and the Minister's response, we expect GB Energy's reporting requirements to be similar to those of the Crown Estate. It would be useful if the Minister could confirm that.

Amendment 39, in the name of the noble Lord, Lord Frost, and supported by the noble Viscount, Lord Trenchard, is one of the strongest Conservative amendments to be tabled on Report. We have some sympathy with proposed new subsection (1), which is similar to an amendment I moved in Committee. At that stage, it did not win the Minister's favour—I suspect that that might be the case again today. Where I slightly part company with noble Lord, Lord Frost, is in relation to the annual review for the chair of GB Energy. My view is that an important and good annual review would not be one that was fully made public. To me, that seems a slightly strange request, and may be counterintuitive to the object which he seeks.

I am going to stop there as I have run out of time and there are a lot of amendments in this group.

Baroness Coffey (Con): I support Amendment 1, in the name of my noble friend Lady Noakes. I should declare at this point that I live about five miles away from Sizewell B nuclear power station and one that is about to be built, Sizewell C, and less than a mile away from other energy infrastructure that is still going through the planning process.

A lot of my time at the other end was taken up with considering the importance of energy, not only for a long-term sustainable future but the security issues rightly referred to in these objectives. The reason these objectives matter is that this is an unprecedented situation, where we are handing, in effect, a blank cheque to an arm's-length body. Admittedly, it will have strategies set by the Secretary of State, but, as has been pointed out, there will be absolutely no reference to Parliament in its consideration. That is why the amendment tabled by my noble friend Lord Frost has attraction, in proposing at least having a direct connection with two Select Committees of the other place and a relationship with the chair of GB Energy. As my noble friend pointed out, these are the reasons that the Government gave us for having this new entity. Therefore, it would make a lot of sense for the Government to accept this amendment directly.

On Amendment 17, where I disagree with the noble Earl, Lord Russell, is that I do not believe we should get into legislation that dictates the amount of taxpayers' money that will be spent. I have seen that happen before in legislation, and then all of a sudden money starts getting wasted. The whole purpose of this financial vehicle is to de-risk and bring in external private investment. That is a sensible approach, especially given the amount of uncertainty, which I appreciate the Government are trying to address in other ways. Nevertheless, for something such as energy security, a significant amount of investment is going to be required right across not just Great Britain but the United Kingdom, and this is a critical moment for our nation. That is why, while I think there will be money well spent, we should not be dictating a minimum.

The amendment tabled by the noble Lord, Lord Vaux of Harrowden, is really sensible. This company will be in an unusual situation—not unique, but unusual—and the extra information required, particularly in proposed new paragraph (d), is the core essence of why this company is being set up: it is stepping forward to try to get others to do so.

If anything, what has evolved over many years is the need for transparency and understanding. The amount of trust that people have in how their taxpayers' money gets spent really matters in the contract that Parliament and government have with the electorate—the taxpayer. So, elements such as this will enforce the rationale rather than just necessarily seeing energy bills tick upwards, unfortunately.

So if Amendments 1 and 37 are pressed, I will certainly support them—although, regrettably, not Amendment 17 from the noble Earl, Lord Russell.

Lord Frost (Con): My Lords, I will speak to Amendment 39 in my name. I thank the noble Viscount, Lord Trenchard, for putting his name to it, and thank the noble Earl, Lord Russell, for his warm comments on at least aspects of this amendment.

The broad aim of Amendment 39 is to do what a lot of other amendments have sought to do, both in Committee and no doubt today, which is to ensure that GBE gets the kind of scrutiny that a major public company would get: that is, its internal procedures, processes and purposes get a degree of public attention and comment. I worry that we are setting up a company over which there will be relatively little oversight and perhaps rather idiosyncratic governance compared with a normal public company. So it is with that in mind that I have tabled Amendment 39.

There are two aspects to the amendment. One is about pre-appointment scrutiny and the other is about what happens once the chair has his feet under the desk, as it were. I share the view of the noble Earl, Lord Russell, that the first part of this is the most important part of the Bill.

Before getting into the substance I should declare an interest, which is that I am an unpaid director of the group Net Zero Watch—I am sorry for not mentioning that at the very start.

On the first aspect of this amendment, its purpose is to make sure that the appointment at least attracts a degree of scrutiny and comment from relevant

Select Committees. When I put this amendment down in Committee, I had in mind only the Treasury Select Committee in the Commons, but I have picked up the suggestions made by others that the Environment and Climate Change Committee also ought to have a role in this. I emphasise that this amendment would not give those committees a block. The right to make the appointment does not go to those committees; it is the right to comment on a decision that the Secretary of State proposes to make and which he or she will still be able to make after the Select Committees have looked at it. That degree of public scrutiny is important. The chair is a public figure in many ways, and in fact we have seen, from some of the statements he has made already, that he intends to use that public platform to make comments. It seems right in these circumstances that there should be a degree of political scrutiny of this.

The Minister said in Committee that this was not in line with the guidance of the Cabinet Office for such appointments. But I suggest that, even under the hard rein of the internal regimen of the noble and learned Lord the Attorney-General, guidance written by a department cannot constrain the Government, or indeed the legislature. Indeed, we see that in real life, because the appointments of the chairs of Ofgem, the Climate Change Committee and the Nuclear Decommissioning Authority, and so on, are all made in accordance with such a procedure. So there is really nothing novel here: it is the right thing to do for a major company of this nature and I hope the Minister will think hard about the defensibility of the position as it currently stands.

I will speak briefly to the second part of my amendment, which is really probing. The current arrangements for the accountability of the chair seem rather unclear. I guess formally he is accountable to shareholders, but the shareholder is obviously the Secretary of State and a chat with the Secretary of State is perhaps not enough for accountability for a company such as this. It may be that the auditors are not best placed to do that and it may be that there should be a degree of confidentiality to it, but there surely should be something that is formal and agreed and which can produce a degree of political debate. Perhaps the Minister can say exactly how this accountability will be achieved in practice, if it is not via some formal process of this nature. I repeat, to conclude, that the first subsection proposed by my amendment is the most important, and indeed, really quite substantively important to the nature of the body we are creating.

4.15 pm

Lord Teverson (LD): My Lords, I shall talk briefly to Amendment 1, because I probably disagree with it rather more strongly than my Front-Bench colleague. That list of objectives is more a list of government objectives than company objectives. It seems absolutely impossible that the company could ever satisfy its objective to reduce energy costs in the UK in a sustainable way in its own right. That seems inappropriate, in that it would not be able to meet those objectives.

I agree absolutely with the noble Baroness, Lady Noakes, that it is extremely unfortunate that we do not understand or know what the statement of strategic priorities is. That is the fault and that is the problem. On Amendment 1, I do not believe the company, with a budget of £8 billion, would be able in any way to meet all those objectives. I say also to the noble Baroness, Lady Coffey, that I agree with her and I do not think my noble friend Lord Russell would expect that amendment to be part of the Bill. As he said, it is a probing amendment to understand what the Government's position is on that amount of money into the future.

Lord Ashcombe (Con): My Lords, I support my noble friend Lady Noakes in this first amendment, because the four objectives outlined are highly relevant. In particular, I shall focus on the second objective, energy security, where maintaining a balanced mix of electricity generation is crucial. As we know, this includes baseload nuclear, renewables, gas and supplementary power by interconnectors.

My primary concern, as will not surprise your Lordships, is gas. It is essential not only to continue production from our existing North Sea fields but to allow further exploration and development in order that we may discover more. At this point, I very much thank the Minister for the time we spent last week discussing this item.

I think it is relevant to point out that, according to research from the Library, the UK's indigenous gas supply still met 43% of our national demand in 2023, covering electricity generation as well as commercial and domestic needs. However, to bridge the shortfall, we rely on imports from two main sources: Norway, which supplies 32% of our pipeline but faces a growing political and resource pressures due to the European energy crisis; and the United States, which provides 15% through LNG, with other countries contributing less than 5% each.

The environmental impact of importing gas is significant. As of 2022, emissions from Norwegian imports were 50% higher than those from UK production, while LNG imports from the United States generated more than 3.5 times the emissions. Additionally, electricity accounts for only 25% to 30% of the UK's total energy demand, with the remainder still dependent on fossil fuels. Many of these same arguments can be used for the continued production of oil, even though it is not, I am glad to say, used in electricity generation.

Given these facts, it is imperative that we continue to utilise the UK's own resources by lifting the current pause on oil and gas exploration and production. I realise that this is slightly counterintuitive but, by doing so, we can assist the growth agenda, protect our jobs in the North Sea, reduce unnecessary imports, prevent higher global emissions and avoid shifting the environmental burden on to other nations. This amendment will very much assist the objectives of Great British Energy.

Lord Hamilton of Epsom (Con): My Lords, I wish to pick up the concern voiced by the noble Lord, Lord Vaux, that GB Energy will pick up some of what I have described as the low-hanging fruit of projects in the energy sector, which can be serviced by the private sector. I do not think that that will happen very much. The putting up of wind turbines and so on by the private sector is well established. It is done by financiers who are more concerned by the feed-in tariff than they

[Lord Hamilton of Epsom]
are by anything else. They even succeed, as I mentioned in Committee, in being paid at a time when nobody wants the electricity coming from the wind turbines, which I always think is a rather remarkable financial deal to be able to pull off.

Turning to Amendment 39 in the name of my noble friend Lord Frost, I raise with the Minister the question of tiered finance. There will be an awful lot of looking into the activities of GB Energy in investing in things but, in my view, here lies the problem: you will find that there are different layers of finance going into a project that may involve GB Energy. The risk we always run is that, unless the new chairman who has been appointed for GB Energy is incredibly smart, he is going to be left with the worst, highest-risk element of any of these deals being funded by the taxpayer. Of course, this means that, if the thing goes wrong, the private sector will suffer less than the taxpayer, who will lose all their money.

I would like to hear the Minister's view on tiered finance, including how we will be able to have openness around it. Will it be possible for outsiders to look in on these deals and comment on them? Generally, does the Minister agree with me that the risk to the taxpayer seems extremely high on this? Of course, we will need Treasury authorisation for all these deals—the Treasury may stop them happening in the beginning—but it would be interesting to know how the Minister's mind is working on this because it strikes me that the taxpayers are standing in the way of the high-risk elements of any of these deals in which GBE gets involved.

Lord Offord of Garvel (Con): My Lords, I thank my noble friend Lady Noakes for opening the debate on this group of amendments, as well as all noble Lords who have contributed to the debate so far.

My noble friend Lord Frost pointed out in Committee that this Bill is even thinner in its contents than Bills that we would normally term skeleton Bills. I completely agree with this characterisation. As it stands, there is nothing in the Bill that tells us what Great British Energy will actually do. What will it invest in? How will it decide where its money goes? What criteria will it use for its investments? We have had three and a half days of Committee over five days on the Bill. We still do not know the answers to these questions.

On the first day in Committee, the Minister said:

"The key thing in the structure of the Bill is the objectives set in Clause 3. They will be informed by the statement of strategic priorities that Great British Energy will operate in, making sure that it will be aligned with the Government's priorities".—[*Official Report*, 3/12/24; col. 1066.]

We have discussed the different objects and objectives of Great British Energy, but I think that we need to return to this topic. It was pointed out by my noble friend Lady Noakes and the noble Lord, Lord Vaux of Harrowden, that, contrary to what the Minister has claimed, Clause 3 does not set out the objectives of Great British Energy.

Clause 3 establishes the objects of Great British Energy. Those objects set out what GBE will do. Those objects will be the means through which it will try to achieve its objectives, but what those objectives are still eludes us. That is why Amendment 1, tabled by my noble friend Lady Noakes and signed by the noble Lord, Lord Vaux, is so important. It establishes in the Bill the objectives that Great British Energy will have to work towards. Ensuring energy security, increasing long-term energy storage, increasing the levels of clean energy generation and reducing energy costs are all laudable objectives. They are all things that the Government have indicated that they want Great British Energy to work towards, but unless they are put into the legislation, there is no assurance that they will happen.

This point is especially pertinent given the recent refusal to re-commit to reducing energy bills. Noble Lords will be all too aware that during the election campaign the Government pledged to reduce energy bills by £300 per household. We then heard the chair of Great British Energy, Jürgen Maier, speaking on Sky News this weekend and refusing to say whether that promise still stood. Then the Prime Minister, speaking at the National Nuclear Laboratory last week, confirmed this figure and said:

"We said we'd aim for £300 … That's what I want to achieve".

We therefore have what appear to be different commitments from the chair and the Prime Minister. The chair will not commit to reducing household energy bills by £300 per year, but the Prime Minister will. Which one is it? If we already have a difference in opinion, and clearly no joined-up thinking before the Bill has even been passed, how can anyone believe that Great British Energy will follow through on its supposed objectives? It is evident that the only way this will happen is if there is a clear statement of those objectives in the Bill.

I turn to the other amendments in this group. My Amendment 20, and Amendment 37, tabled by the noble Lord, Lord Vaux of Harrowden, seek to ensure that there are clearer reporting requirements in the Bill. Currently, there are no requirements to submit reports other than the usual ones under the Companies Act 2006. Many noble Lords have argued that this is not acceptable. The reporting requirements in these two amendments are not overly onerous for GBE to comply with, yet the net benefit would be significant.

I have also tabled Amendment 41, which seeks to ensure that Great British Energy is given a specific direction to achieve a 10% minimum return on its investments annually. Like with the rest of the Bill, there has been absolutely no indication of the expectations that will be placed on GBE. Without this, how can anyone be certain that the taxpayer will see value for money from this investment? If £8.3 billion from the public purse is going to be funnelled into a state-operated investment company, I am certain that taxpayers would like some guarantee that it will pay off—or at least some measure of target return.

This brings me to Amendment 49. Given the permissive extent of the borrowing provisions in the Bill, it is pertinent to allow the Secretary of State to implement a restriction on borrowing. The amendment does this via affirmative statutory instrument, allowing the Secretary of State flexibility, while placing greater safeguards on the amount to be spent via Great British Energy.

In the same vein, we also need to ensure that there are adequate safeguards for the financial assistance that the Secretary of State can provide. Amendment 56 does this by preventing Clause 4 coming into force

until the Secretary of State has established the conditions under which financial assistance may be provided. Once again, we need clarity around this issue. We need to know when, how and why the Secretary of State would give financial assistance, under what circumstances and with what conditions attached; otherwise, there is a distinct possibility of the Bill becoming a blank cheque to Great British Energy for unlimited sums of public money.

Finally, Amendment 57, in my name and that of my noble friend Lord Effingham, requires the publication of a revised financial framework document. I said in Committee that I did not feel it possible to move forward with the creation of Great British Energy until the Government were more forthcoming on this matter. Regrettably, this elusive information is still being withheld. We need sight of the framework document. Once again, I strongly urge the Government to produce this and allow noble Lords to examine its contents.

The Minister of State, Department for Energy Security and Net Zero (Lord Hunt of Kings Heath) (Lab): My Lords, I am grateful to all noble Lords who have taken part in this interesting debate. Of course, we have returned to some of the arguments that we had in Committee. I understand that noble Lords would like to have more information about the activities of Great British Energy, but we have chosen to bring a Bill that, essentially, sets up the basics of establishing a company. Much of the detail that noble Lords have discussed will come through the statement of strategic priorities, which we will debate later.

We do not think it right that we can publish our own statement, or a draft, without the full active participation of Great British Energy, and we are not really going to move from that position. Given that the statement of strategic priorities is to come and that we will hold Great British Energy to account for its performance, as would be expected with any normal public body for which the Government are ultimately responsible, we are resistant to putting what we believe to be unnecessary detail in the Bill, restricting what the company can do in carrying out its activities, especially as these evolve over the longer term.

4.30 pm

I am very clear that the objectives will be set by the statement of strategic priorities. The protection that noble Lords have—as the noble Baroness, Lady Noakes, rightfully pointed out—is that the statement cannot overrule the objects clause in Great British Energy's articles of association, and that this framework is provided for in legislation through Clause 3 of the Bill. We have already published the founding statement, which outlined that Great British Energy's overall mission is

"to drive clean energy deployment, boost energy independence, create jobs and ensure UK taxpayers, billpayers and communities reap the benefits of clean, secure, home-grown energy".

The founding statement also outlined what Great British Energy would do to deliver that mission.

I also remind noble Lords that in Committee we discussed the number of mechanisms that exist for Parliament to scrutinise Great British Energy. We are committed to transparency, which is why Clause 5 provides that the Secretary of State must lay a copy of the statement of strategic priorities and any revision before Parliament. Parliament will be presented with a copy of the annual report and accounts of Great British Energy each year and will be able to hold it to account for its activities and its stewardship of public funds through the normal methods of accountability.

In relation to Amendments 17 and 49, tabled by the noble Lord, Lord Offord, and the noble Earl, Lord Russell, on borrowing, the Government have committed to capitalise GBE with £8.3 billion across this Parliament. I take what the noble Baroness, Lady Noakes, has said, but I have supreme confidence in my right honourable friend the Chancellor and the spending review. It is a government commitment that GBE will be capitalised with £8.3 billion across this Parliament. I cannot go beyond that because it depends on the spending review and, however much I am pressed, I cannot say anything more on this.

Lord Hamilton of Epsom (Con): Can the Minister be absolutely clear on the role of the Treasury? He talks about £8.3 billion being allocated to GB Energy, but will the money not actually be held in a sort of escrow account in the Treasury and will GB Energy not have to apply to the Treasury before it can spend any of it? It is rather important whether the ultimate decision lies with the Treasury or GB Energy.

Lord Hunt of Kings Heath (Lab): My Lords, we need to await the outcome of the spending review and the timetabling of the money to be allocated to Great British Energy. We are trying to establish a balance between wanting to give Great British Energy operational independence and ensuring that the proper controls over public expenditure are kept appropriately. I think the noble Lord, with all his experience of how government works, will have confidence that the Treasury will be keeping a very close eye on this and the processes, and ensuring that public money is spent wisely. My role as a Minister, too, is to ensure that, none the less, GBE has sufficient operational independence to be able to make the kind of decisions that need to be made to get the investment decisions right. We are trying to get, and clearly want to get, a balance between proper control and giving GBE the right ability to make the decisions it needs to make without being excessively micromanaged.

We do not expect that GBE will need to borrow. However, if it turned out at some point in the long term that a Government decided that, and GBE asked for more borrowing facility, the normal processes of His Majesty's Treasury would come into play. As a public body, GBE would require explicit agreement from His Majesty's Treasury before being able to borrow from external providers, if HM Treasury agreed that this would be beneficial. We should also bear in mind that the chief executive officer of Great British Energy will be the accounting officer. That too should give a great deal of comfort on the proper expenditure of public money.

On Amendments 20 and 37, on the reporting requirements that were the subject of much discussion in Committee, I do not want to restate previous arguments, but much of the content proposed in the amendments

[Lord Hunt of Kings Heath]
would already be included in the annual report and accounts of Great British Energy, which, as I said, will be laid before Parliament. Also, the Treasury already has the ability to request specific reporting information from arm's-length bodies through the Government Resources and Accounts Act 2000. Furthermore, GBE will be required to follow the provisions of the *Government Financial Reporting Manual*, which sets out details of required reporting by arm's-length bodies through annual reports and accounts; these are additional to the requirements of the Companies Act 2006.

I thank the noble Lord, Lord Vaux: we have had a series of engagements between Committee and Report on the issue of additionality. I well recognise that this is an important matter, and noble Lords have been right to raise it. Let me be clear here: additionality will be an important principle for Great British Energy, and it will form part of the way in which Great British Energy assesses its opportunities and investment decisions. In the context of the noble Lord's amendment, I am very happy to confirm our expectation that Great British Energy will include reporting on additionality as part of its annual report and accounts. I also confirm that all investment into and expenditure of Great British Energy will be subject to future business cases, including the cost and benefits of these investments, and the monetised and non-monetised impacts of Great British Energy's future activities will also be considered.

Additionally, Great British Energy is part of the Government's major projects portfolio. We therefore expect a summary business case for these activities to be published in due course. Moreover, we expect the outcomes of future spending reviews to be made public through the Chancellor's Budget announcements, as is customary.

On Amendment 39, on the subject of Great British Energy's chair, which was tabled by the noble Lord, Lord Frost, and returns to a point he raised in Committee, one accepts that it is important to ensure the quality and performance of the chair, but the existing framework and best practices, which I outlined extensively in Committee, already provide robust mechanisms for oversight and accountability. I will again say—the noble Lord, in a sense, challenges me on this—that the decision on scrutiny of appointments normally falls to discussions between the Secretary of State and the relevant Select Committee chair. It is a procedure that the previous Government followed; we will continue with that. Moreover, the proposal for an annual review of the chair by external auditors seems to be way over the top. I have already said that GBE will be subject to the normal accountability arrangements. I would expect Ministers, in addition, to meet the chair of GBE frequently, as Ministers in my department do in relation to a number of public bodies for which they are accountable. As ever, we are trying to find the balance between holding GBE properly to account and putting our trust in it, in the quality of people around the board led by the chair, and in the senior officials that they then appoint to do the job properly and effectively.

In relation to Amendment 41, proposed by the noble Lord, Lord Offord, on the rate of return, I think this is going into too much detail and is inappropriate for Parliament to insist on. The Bill we have before us is focused solely on making the minimum necessary provisions to enable the establishment of this operationally independent company. Adding the proposed detail risks too narrowly restricting the company in carrying out its activities, not least because GBE's work will extend beyond investments. We do not want to be restrictive and put a rate-of-return requirement on all its activities. For me, one of the most important activities that GBE will do is to carry out a lot of the groundwork to enable investors to come in. We know that we have a big problem with the manifold delays in energy infra- structure development and investment. We, of course, seek to reform the planning system and find other ways in which we can speed up development, but GBE has a vital role to play in relation to that too.

I will resist Amendments 56 and 57, on the commencement of the powers in the Bill. These amendments would delay the designation of GBE under Clause 1 and the ability of the Secretary of State to provide financial assistance to it under Clause 4. Those clauses are fundamental to GBE's ability to start its operations as soon as this Bill is passed.

I am very grateful to noble Lords for their interventions and contributions. I understand that they wish to ensure that GBE is properly held to account. I hope I have convinced them that we will indeed hold GBE to account. Equally, I must fly the flag for operational independence and for the ability of the board to do the job we set out for it to do.

Baroness Noakes (Con): I thank all noble Lords who took part in the debate on this group of amendments. I will start with Amendment 37, in the name of the noble Lord, Lord Vaux. He will decide, when we get to Amendment 37 in its place on the Marshalled List, what he does with it. I will just say now that I was grateful for what he said on additionality, because it is important that we get proper public reporting on whether Great British Energy has achieved the additionality to which it is required to adhere.

I thank the various noble Lords who have given their support to my Amendment 1. I got lukewarm or even negative support from the Liberal Democrat Benches, but I think they were trying to engage in the wording of the objectives. My sense was not about the detailed wording; I was trying to capture what I thought the Government were trying to achieve in terms of objectives for Great British Energy, because the key thing for me is that we have things against which we can hold Great British Energy to account.

The Minister said that the strategic objectives would be set by the statement of strategic priorities. As I tried to argue, it is not inevitable that a statement of strategic priorities would include objectives. If the Minister is telling me that it will include objectives, then we should have something against which we can hold Great British Energy to account. He rather confusingly then went on to say that we would be able hold it to account for its activities. My argument is not that we hold it to account for its activities but that we hold it to account for what it achieves against what it is supposed to be achieving, but I assume that that was loose language on the part of the Minister and that

the strategic priority statement will indeed set strategic priorities. On that basis, I beg leave to withdraw the amendment.

Amendment 1 withdrawn.

4.45 pm

Clause 3: Objects

Amendment 2

Moved by ***Baroness Liddell of Coatdyke***

2: Clause 3, page 2, line 13, after "encouraging" insert "investment in,"

Member's explanatory statement

This amendment, along with others in the name of Baroness Liddell of Coatdyke, aims to broaden the definition of ″clean energy″ to include technologies that directly or indirectly reduce greenhouse gas emissions, such as Carbon Capture, Utilisation & Storage (CCUS) and low carbon hydrogen.

Baroness Liddell of Coatdyke (Lab): My Lords, I refer to my entry in the *Register of Members' Interests*: I am the honorary president of the Carbon Capture and Storage Association. The amendments listed in my name all relate to the same issue so, with the permission of the House, I will group them together. Their purpose is to give clarity and not to exclude vital technology

The UK is at a pivotal moment in energy transition and these amendments would update the Bill to reflect the role of CCUS and hydrogen in achieving a sustainable, reliable and low-carbon energy system. It is a very useful Bill, but it does not explicitly include these technologies in the definition of "clean energy". Accepting these amendments would be a means for the Government of highlighting to investors and to the industry their commitment to supporting both renewable energy and low-carbon technologies in a balanced and inclusive way.

The purpose of the amendments is simply to broaden the definition of "clean energy" and ensure that GBE can support a wider range of innovations that will foster investment and partnership. That will be crucial to the UK achieving clean power targets by 2030.

In the Carbon Capture and Storage Association, which was established in 2006, we recognise that we have the commitment of the Energy Secretary and, indeed, the Chancellor of the Exchequer, who speaks of CCUS often to promote the concept of clean energy. However, to reach out to the myriad companies anxious to develop CCUS, it will be necessary to be a lot more precise. There are many out there who are very keen to get in on the act, not just here but around the world.

In the Bill, "clean energy" is defined as any energy

"produced from sources other than fossil fuels".

Our argument is that you can "clean" energy. That is what carbon capture is about: cleaning the energy that has already been applied.

Some people think that carbon capture, utilisation and storage is a new concept, but it has been around for at least 25 years. When I was an Energy Minister about 25 years ago, it was described as clean coal technology. In 2006, Dr Chapman established the Carbon Capture and Storage Association. It has grown, and the benefit to the environment has been recognised. I have been to a lot of conferences on carbon capture and storage. It is not a terribly exciting issue to most people—it is to me—but the most recent conference in November was packed out. It was held in Central Hall Westminster and the sheer scale of interest was quite dramatic. Businesses see the opportunity.

The Intergovernmental Panel on Climate Change and the Climate Change Committee have both taken a great interest in CCUS as an integral part of limiting global temperature rises and the route to net zero. Indeed, the Climate Change Committee estimates that the UK needs to capture over 50 million tonnes of CO_2 per year by 2035 to keep in line with emissions reductions.

The ambition, certainly on this side of the House, is to get to a clean power energy system by 2030, as we promised during the election. That might not be possible without carbon capture and storage. Indeed, CCUS is absolutely essential for industries such as cement. Without CO_2 there is no cement industry; CO_2 production is an essential part of the process of creating cement.

CO_2 storage has operated for 25 years in Norway. There are now 50 operational large-scale CCUS facilities worldwide and 44 are under construction. These are countries that are out there, desperate to get in the lead. The IEA has stated that global CCUS deployment has

"tripled over the last decade".

However, we cannot afford the delays that we have seen in the past. Yesterday, I was delighted to see that Drax can proceed with a £2 billion carbon capture upgrade at its north Yorkshire plant. It is more important to get things moving rapidly now, because there are so many businesses that are interested in carbon capture in the UK which are getting to a stage where they are wondering whether we are going to do anything about it.

Last week, the Public Accounts Committee published a report that was very sceptical about the delivery of CCS. Yes, it does not come cheap, but the much-quoted £22 billion is over 25 years; you do not have to put your hand in your pocket right now for £22 billion to pay for it. However, what we do have to watch is the pressure on the fuel bills for households; they must not carry the cost of other delays. The PAC report challenges the department more than the industry, not least on dispersed sites and the slow response to issues that we saw repeatedly with the previous Government—not helped by repeated reshuffles.

The time for CCUS is now. It will create jobs, not least for those currently in the energy industries who can bring knowledge and experience to the table. All I ask is for the Government to make clear their commitment and to get this country in the lead in cleaning up our energy systems. We will all benefit. I commend Amendments 2 to 6, 11 and 12 to the House.

Baroness Bloomfield of Hinton Waldrist (Con): My Lords, I rise to speak to Amendment 7 in the name of my noble friend Lord Offord, to which I have added my name. This modest amendment merely asks the Government to insert

"the production of nuclear energy"

[Baroness Bloomfield of Hinton Waldrist]
at the end of Clause 3, page 2, line 18. I also pay tribute to my noble friend Lord Trenchard, who sadly is unable to be in his place today, for his Amendments 10, 33 and 36, which all focus on the nuclear sector.

The Minister for nuclear will not be surprised that I bring this back on Report. He will understand that we merely wish to ensure that nuclear energy plays its full role in our energy mix; putting it on the face of the Bill signifies the Government's intention that it should do so. I will not repeat the arguments in full that I made at Second Reading. The Government have already acknowledged the importance of nuclear in various speeches at Nuclear Week in Parliament, and the recent announcement that the nuclear national policy statement, EN-7, is to be updated is very welcome.

By accepting this amendment, the Government can bridge the gap between their stated aspiration and its implementation. It will also send a strong signal to investors, developers and the broader energy sector that the UK is serious in its ambitions for nuclear. While we can sadly no longer aspire to claim a world first in the development of new nuclear technologies—Canada has already claimed that crown—it is not too late to be building domestic supply chains and a home-grown industry that will contribute to our own energy security. At the same time, one must of course recognise the potential for creating good-quality jobs and careers in areas such as north Wales that need them most.

Of course, the relationship between Great British Energy and Great British Nuclear remains the big unknown. If properly resourced, GBN could have been uniquely positioned to co-ordinate and drive nuclear developments across the country. It still can. It was created 18 months ago and the small modular reactor drawdown was launched in October 2023. We await the outcome of that competition and I hope that the Government will pick up the pace.

Finally, noble Lords have been silent about the equally important relationship between Great British Energy and UK Industrial Fusion Solutions or the International Atomic Energy Agency. While the STEP project at West Burton will not help the Government towards their 2030 ambitions, in the long term fusion remains the holy grail and is one sector where the UK really does lead the world. I ask the Minister to give the House a clear assurance that Great British Energy will have a role in developing our nuclear energy capability.

Viscount Hanworth (Lab): My Lords, Amendment 10 is a minor amendment and the noble Viscount, Lord Trenchard, has asked me to speak on it in his absence. I believe his amendment evinces frustration at the tendency of those who are averse to nuclear energy to exclude it from their definition of "clean energy". He has therefore proposed that the Bill should state that clean energy means renewable energy, nuclear energy and energy produced from sources other than fossil fuels.

In assessing the hazards of nuclear energy, one must separate the issues of nuclear cleanliness, by which I mean the absence of nuclear pollution, from issues of nuclear safety. The latter range from concerns about the accidental spillage of radioactive materials to the risks of rare occurrences such as the accidents of Three Mile Island, Chernobyl and Fukushima.

A degree of laxity characterised the early nuclear industry, but the industry has since developed a stringent attitude towards cleanliness. The radioactive emissions of our nuclear power stations are negligible. They are a fraction of the emissions from the granite rocks of Aberdeen, and the human exposure is far less than that of a high-flying airline passenger on a scheduled flight. The industry's attitude to cleanliness extends far beyond the question of radioactive contamination; I have seen the senior management of a nuclear power station become apoplectic at the discovery of a cigarette butt embedded in a gravel pathway.

The major accidents that I mentioned were occasioned by the meltdown of nuclear power stations embodying pressurised water reactors. They have led to a heightened emphasis on the safety of such power stations. That is evident in the design of the Hinkley C power station, where the consequences of the worst imaginable malfunctions would not extend beyond the power station itself. The same is true of the current designs of small modular reactors, which are also pressurised water reactors.

The SMRs employ a nuclear technology that is set to be replaced by fourth-generation technologies endowed with passive safety. A molten-salt reactor provides an example: in the unlikely event of a rupture of the containment vessel, the molten salt and the nuclear reagents would escape into wider containment, after which the nuclear reaction would cease and the salt would crystallise at 300 degrees Centigrade. Such reactors are fit to be employed close to industrial processes that require abundant heat and electricity. An unfortunate fact, to which I must testify, is that we are failing to support the development of such reactors. We are leaving it to others to develop the technologies that are vital for achieving our net zero ambitions.

Lord Hamilton of Epsom (Con): My Lords, I support Amendment 10 as well, because the future of nuclear is very important if we are going to lead to a much cleaner environment in which to live. It is an important source of power generation that does not emit filth, like so many of the others do.

I shall pick up on the remarks of the noble Baroness, Lady Liddell, about Drax. I have a slight problem with Drax because, although it makes out that it is using renewable fuel, it seems to be cutting down quite a lot of trees in North America to feed it, and the stuff that comes out of the chimney is highly polluting. The fact that it is not as polluting as coal does not mean it is not polluting at all.

We have to look very closely indeed at the use of some renewables—I am not including solar and wind here. I mentioned in Committee that we are growing oil-seed rape to turn into vegetable oil that then gets refined and put into aircraft, but all the way through that process we are emitting CO_2 and that is what we are supposed to be combating. Drax is emitting CO_2 as well.

5 pm

I have some sympathy with the Government over this. They want to continue with Drax because it is a critical power station that produces a very large amount

of electricity for people in that region and they cannot really do without it. But it would be quite nice if the Government said that and, at the same time, audited the amount of CO_2 coming out of Drax so that we know what we are dealing with.

In years to come we may perhaps have brought in nuclear, for instance, with small modular reactors. I forgot to declare in Committee my modest shareholding in Rolls-Royce; it certainly would benefit if the contract was given to it. Small modular reactors might well bring in good new sources of electricity and it may be possible to wrap up Drax at some stage, which is polluting the atmosphere and contributing to CO_2 emissions. We have to be very careful that we do not fall into the trap of saying that, because it is being fed with sustainable wood chips or oil-seed rape is being grown and so forth, we are not emitting vast amounts of CO_2 to get to the point where we generate the electricity. We need to look very closely at this.

Baroness Boycott (CB): My Lords, I will speak to Amendments 13 and 44 in this group. I thank the noble Baroness, Lady Young, and the noble Lord, Lord Randall of Uxbridge, for supporting Amendment 13, which is very straightforward. Very simply, it would exclude biomass from the things that GB Energy can invest in. Amendment 44 is drafted very tightly and makes the assumption that biomass will still be included, but then asks: will the Government report on the perceived carbon neutrality of that biomass, the percentage of power it will provide to the grid and the overall impact of it on achieving our domestic and international climate targets, particularly our nature targets?

I wanted to bring these back today as I did not feel like the Minister's response in Committee addressed the issue. But it would be entirely remiss of me not to take the opportunity to say well done to the Government on what they have said about the future regime of Drax. I wondered whether the noble Lord, Lord Hamilton, had picked up on this. It came out yesterday and is a big move on behalf of the Government to start to rely much less on Drax and to really try to clamp down on all the things he was talking about, such as importing old wood from Canada and the sense that we just cut up wood in the Pacific and ship it all the way here. The Government have gone a really long way and I am really grateful, because I and a lot of people have banged on about Drax now for a very long time. It is terrifically encouraging to see that the phase-out of this type of power is on the cards as we build up all the others. From my point of view, it does not mean that all biomass is okay; I think it is a very dodgy source of fuel.

I noted, in a report by E3G last month, that the clean power mission could be delivered without extending the lifetime of Drax, so perhaps the Minister can tell us how far they have considered this as an option and what options were considered. I have a few specific questions. Bioenergy is costly and, as I said before, has a great impact on nature and land use, and particularly on what we will have for food production. I know there are lots of things such as miscanthus that you do not have to replant, but you are still using up some really good agricultural land. Is this a good use of the money we are going to invest in GBE?

Can the Minister confirm that Drax will not be allowed to burn wood from primary forests for any of its generation? I am so pleased with the work that has been done, but I would like some confirmation that we can all listen to. On the issue of transparency, can he commit to his department publishing whatever research, analysis or investigation it has done before arriving at the decisions it has today? When I asked a Written Question on this recently, the substantive point was not answered.

As many people who care about this have seen, "Dispatches", *Private Eye,* "Panorama" and even an Ofgem investigation have found that all the biomass energy generators in the UK have misreported data. This is endemic—it is continual. Along with several other noble Lords, I wrote to the FCA last week about some of these allegations, which contradict Drax's annual report. So, while I appreciate the announcement, I would like to know what measures the Government are taking to tackle this issue. The operators—or at least one—cannot be trusted to mark their own homework, and the regulator has thus far failed to be completely on top of it. I know that we are tightening all the regulations, but is the Minister confident that his department will be able to deliver what has been asked for, because what has been asked for is a terrific step forward.

While the Government have let the door open for BECCS in the future, we need to be honest about the fact that we do not know whether it will work at the scale that is needed. It was very interesting to hear the outline of the earlier amendments in this group, with the extreme positivity about what carbon capture and storage will be, and I look forward to hearing more about it. However, at the moment it is taking out very little carbon from the atmosphere and, in all the future carbon budgets, it plays a very big role in us getting to net zero. Many people are anxious about whether this will be deliverable, and on what timescale.

Lord Howell of Guildford (Con): My Lords, the speech of the noble Baroness, Lady Liddell, was music to my ears. This really is the missing prince at the ball—the missing element in the whole strategy of reducing emissions in order to curb the violence of climate change, which, after all, is the main purpose of all our endeavours. It is not a secondary purpose, it is the main purpose, and of course it is failing. Emissions are continuing to rise worldwide and the forecasts are very gloomy that they will rise still further. Our own performance has been good in contrast, as one tiny bit of the jigsaw, but overall the aim of reducing emissions is not succeeding. Carbon capture, usage and storage is an area where vast improvements can be made, with real effort to store emissions, such that we no longer have to watch those gloomy monthly or three-monthly figures detailing rising emissions worldwide again and again.

Furthermore, it is admitted, quietly—I think I have heard NESO and other experts say it openly—that carbon capture and storage is an essential part of the 2030 story. Because we have delayed so much—all parties are to blame—and we have not got on with nuclear, which we have allowed to shrink because we dithered on various other technologies, there has been

[Lord Howell of Guildford]
very little advance on carbon capture and storage, but we know that in order to achieve decarbonised electricity by 2030—I think we are talking about the present electricity output, which is one-fifth of our total energy storage, not the whole of an electrified economy—we will need, in order to prevent outages, further gas-generated power. That is not proclaimed very loudly; CGN plants are being contracted for, designed and built to make it possible for there to be reliable and, we hope, affordable energy in 2030, even though it is substantially decarbonised.

That will require an output of carbon of considerable size, which will have to be captured and stored, otherwise the system will not work. The 2030 target is literally unobtainable, unless we have an elaborate expansion of carbon capture and storage for gas-generated electricity, which is an essential part of the pattern for 2030, as it probably is for 2040 and 2050 as well. Domestically, this is a central issue, yet it is hardly mentioned in this discussion or in the Bill.

That is not all; worldwide, the one contribution that this nation could really make through its brilliant technology is in developing cheaper versions of carbon capture and storage. All over Asia, there are coal-driven electric plants belching carbon and smoke, and more are being built at the moment. China has achieved amazing things in reducing its coal-based electricity from 1,900 gigawatts a year down to about 1,000 gigawatts. As we now produce no electricity from coal, which is rather amazing, that is an infinite number of times the amount that we produce. China is down to 1,000 gigawatts, but that is still a vast addition every year and every day—it is producing much more than we do in a year in emissions of carbon dioxide and methane as well.

To deal with the world's problem, carbon capture and storage is essential, capturing not only carbon emitted when generated from fossil fuels but carbon direct from the atmosphere. Some major projects are being developed around the world on that scale. All these are essential projects to achieve the main aim, which is to lower emissions. If that is the main aim then Great British Energy should surely have a serious role in it.

We should be using the resources of organisations with money to invest in getting the cost down, to the point where it is possible to put some kind of abatement on those 11,000 chimneys and have some control of the carbon to be captured. Can that be done in the next stages? Of the countries concerned, one is talking mainly about the United States, where it can be done; China, where they are trying to do it; and India, where they are trying hard but not succeeding at all. They need the engineering skills to install carbon capture and storage, once we have developed systems which are cheaper and more economic. There is a whole new programme there to be developed. Is it being developed and invested in? Is this organisation looking at it? We have not had a single word from the Government—not a word—on the idea that this should be a major part of the story.

The noble Baroness, Lady Liddell, is totally right that this should of course be a major part of the story. I fear that, as with so many parts of the endeavour to get to a green transition, we are losing sight of the main purpose, which is reducing emissions. This nation is superbly equipped to contribute on that front, but not necessarily by itself subsidising more and more low-carbon electricity for our own purposes. We should go that way but not push it too fast, because if we do that then we will slow things down.

If we are to contribute to the world's efforts on this, which are failing and going backwards at the moment, and to make more progress, we must turn to carbon capture and storage. Why is there no mention of it in the Bill? Please can it go in, through this amendment or in other ways that the Government choose, to indicate that we are serious about reducing emissions and not just about the virtuous side of clean energy, which is very nice and very important but not the main aim?

Lord Berkeley (Lab): My Lords, my Amendment 35 is about the renewable liquid heating fuel obligation, which is something we debated in Committee. I thank my noble friend the Minister for spending time with us and understanding the problems of some of the people who operate in this field. I am grateful to the noble Lord, Lord Bruce, for his support.

This issue affects 4 million people in this country, and about 250,000 businesses, who are off the gas grid and therefore generally rely on heating oil, as I do in the countryside—I declare an interest. These are big businesses and they are no more complicated than other similar systems, but it is a question of whether the renewable fuel obligation could be applied, so that it would be easier for people to continue to use fuel oil with this addition, rather than having to spend a lot of money converting to some other means, which I know has been debated at length.

5.15 pm

Our discussions with the Minister were very helpful. They helped me, and maybe him, build a greater understanding of the benefits that RLHF could deliver in supporting the Government's decarbonisation agenda. I hope that this debate, and my noble friend's positive response, will give people comfort in continuing to press further with the renewable fuel option. My main question for the Minister is whether he can he give the House any further insight into when the Government will publish a consultation to implement the renewable liquid heating fuel obligation.

The amendment would implement Section 159 of the Energy Act 2023. It is interesting that there does not seem to be any problem with the supply side; the people I mentioned who service similar boilers at the moment can provide it. The great thing is that making this change can reduce emissions quickly and affordably, and therefore contribute to clean power and the net-zero objective: it is win-win, really. It is similar to the renewable transport fuel obligation, which the last Labour Government put in place. My suggestion is that we would start with a 20% blend of renewable liquid fuel, which can be done very quickly. That would show that there is enough feedstock and a minimum running cost increase to the consumer, which is important. There would be no requirement for changes to boilers, as I think the suppliers have all said.

It is worth pointing out that, in the last period of storms—I really cannot remember how long the storms went on for this winter, but it was a long time—we saw the impact that they had on electricity infrastructure. The great thing about retaining fuel is that, yes, you need to have the electricity switched on to fire the boilers, but it is not providing the heat and so you need much less of it. It is therefore a much more comforting way of heating your property or business than if you had to make a big change.

I am told that all the equipment and the liquid fuels can be produced at Grangemouth, in Scotland. This amendment gives Ministers a starting block from which to report and explain how quickly the change could be made, what changes would be necessary and how it could be done.

Interestingly, a 20% blend for off-grid properties will not only meet but exceed the carbon budgets straightaway, up to 2035. As I said, millions of people rely on this fuel oil at the moment, and it costs them a lot of money. I hope that Great British Energy will be conscious of the need for oil consumers too, and that it will include the change that I hope will come as a result of some of the things that I put in my amendment —I shall not go into them now—and bring people the comfort that they can still heat their homes, businesses or properties in a cost-effective way. The fuels are available now, the people are available to do it and the series of changes involved would be easy and quick to make. I look forward to my noble friend the Minister's response to this group.

Baroness Young of Old Scone (Lab): My Lords, I will speak to Amendment 13, to which I have put my name.

I am very clear that biomass is not clean energy. It has substantial downsides: the harvesting cycle does not replace carbon in an equivalent way until many years have passed; and the same goes for the impact on biodiversity—there is not a like-for-like replacement at all.

If we were to grow our own biomass here in the UK, the land take would be substantial and would compromise land uses for multiple other requirements for which we need land, as outlined in the land use framework. If the feedstock comes not from the UK but from overseas sources, that is not a secure source and we are putting ourselves in a position of vulnerability —as indeed we are from other overseas sources of fuel at the moment. It is not a sustainable and secure feedstock.

I welcome the Government's Drax Statement yesterday, provided that it is only a first step to a rapid phase-down of Drax; I would be grateful if the Minister could confirm that. Can he also confirm whether the Government support the recent Ember report on subsidies post-2031, which shows that the case for a 2030 clean power system for the UK is possible, while reducing considerably our reliance on this expensive, imported biodiversity-unfriendly biomass?

On Amendment 44 in the name of the noble Baroness, Lady Boycott, I will ask the Minister for clarification. Will the review of biomass power, which was signalled in the Drax announcement, cover absolutely all the points made by the noble Baroness in subsections (2)(a) to (e) in the new clause proposed by Amendment 44? Can he give us some clarity on that?

I was not intending to comment on Amendment 2 in the name of the noble Baroness, Lady Liddell, on carbon capture and storage, but I am afraid that I will have to. I really do not like being on the opposite side from the noble Baroness, because she is a bit of a fighter and two Scots against each other might not be a good idea. But I think we are making a big mistake in overrelying, in the carbon budgets, on carbon capture and storage. I also agree with the noble Lord, Lord Howell —this is an out-of-body experience for me—and disagree with the noble Baroness, Lady Liddell; this is all the wrong way round. The reality is that carbon capture and storage projects are failing worldwide at the moment; they are not proceeding well, and investment is being withdrawn. This is the emperor's new clothes. We are all saying, "There's a bloody great hole"—

Noble Lords: Oh!

Baroness Young of Old Scone (Lab): Sorry, *Hansard*.

There is a huge hole in the carbon budgets, in which we have all colluded by saying, "Well, carbon capture and storage will fill that hole". But what happens if it is the emperor's new clothes and it does not work? We have to be very wary and understand what is happening at the moment. The Government are, quite rightly, throwing quite a lot of money at carbon capture and storage to trial it out as quickly as possible to find out whether we here in the UK can make it happen. If we can, great; let us replicate it very fast. If we cannot, we have to find some other solutions.

My final point is in support of the noble Lord, Lord Berkeley—

Lord Howell of Guildford (Con): I thank the noble Baroness for giving way. I do not want it to sound as though CCUS is the answer to everything, but surely the whole concept of carbon sinks, of trying to preserve our forests—which are rapidly disappearing—and of developing new freshwater areas around the world in desert areas, as has been proposed in a very elaborate series of schemes, is doing just that: they are trying to capture carbon directly out of the atmosphere or from projects which are belting out carbon. What is wrong about that? I do not quite see why she is so dismissive.

Baroness Young of Old Scone (Lab): I am probably breaking the rules here—I should address the House rather than the noble Lord—but nature-based solutions, which create biodiversity and other benefits, such as benefits for human health, mental health, water purification and flood control, are excellent schemes if they can be made to work effectively and cost effectively, bearing in mind all the benefits. Carbon capture and storage from industrial processes or, indeed, from air sources—from carbon that is already out there—is the bit that is not yet tested and not yet proven. We need to get ahead and decide whether we can make that work in the UK, which, I hope, is what the Government are trying to do. Perhaps the Minister will confirm that.

On Amendment 35, I share the joys with noble Lord, Lord Berkeley—not in the same house, I may say—of being an off-grid home owner who wants to do their bit for carbon reduction. At the moment, the choice for the average home owner in a rural property

[Baroness Young of Old Scone]
of an aged sort, which is highly dependent on oil because they are off the gas grid, is not terrific. You live in trembling fear of the wretched boiler breaking down: in an emergency situation such as that, the choice that then faces you is either just slamming in another oil-fired boiler, or else shelling out 20-odd thousand and waiting in the cold for six months while they work out how to put in an air source heat pump, which will probably not work at all anyway. It is not a choice. We need options for that rather beleaguered population in the country, many of whom live in aged, drafty houses and have very little assets of their own to be able to upgrade or may have a listed building of the sort you cannot upgrade.

Renewable liquid fuel seems to allow a simple transition using existing kit rather than having to capitalise up front for a totally new technology. It could produce—literally from next week, if you wanted it to—carbon reductions of up to 80%. I support the amendment tabled by the noble Lord, Lord Berkeley, and I hope the Government can do that too.

Lord Krebs (CB): My Lords, I did not intend to speak in this debate, but I will say a few words about biomass and Drax. In so doing, I have to declare a conflict of interest in that I chair Drax's independent advisory board on sustainable biomass.

The point I want to make is very simple: the devil is in the detail. There are circumstances under which biomass is not sustainable as a source of energy, where it does not replace the carbon emitted from the chimney stack by the growth of new trees. On the other hand, there are circumstances under which it is carbon neutral. Therefore, the crucial thing is to understand whether Drax is sourcing its material in a sustainable way.

It is not my job here to defend Drax and it is certainly not my job to comment on government subsidy, but I can say that there is a very detailed literature on forest carbon. If any noble Lords wish to make assertions about the carbon neutrality or otherwise of biomass burned by Drax at its power station, they should first study this literature in great detail and not rely on second-hand reports on "Panorama" or in other media outlets. So, I simply urge those noble Lords who wish to comment on Drax to study the detail.

5.30 pm

My final, crucial point is that in all the analyses of carbon neutrality of forest source biomass there has to be an assumption. That is the counterfactual: what would happen to the forest were biomass not being harvested? Let us take the case of the south-eastern United States, where fast-growing trees under the generic name of southern yellow pine are grown for timber, and the forests are owned by private landowners—they are farmers, essentially—most of whom have converted land from pasture or from other agricultural purposes to growing forests. The forest cycle is 27 years from a seedling to a mature saw-log tree that is harvested for building material. In that 27-year cycle, two thinnings take place to enable the remaining trees to grow tall, straight and large, and it is the thinnings that are used by Drax. In former times they were mainly used for paper purposes but, as paper use goes down, Drax and other companies take the thinnings to turn into wood pellets.

In understanding the carbon neutrality of this system, you have to ask the question: what would happen if those thinnings were not commercially used by a consumer such as Drax? One possibility is of course that the farmer would say, "Well, I'm no longer making enough money out of trees, so I'm going to get rid of forest and go into beef production". So, in order to calculate the consequences for the global carbon budget, you have to make assumptions about the counterfactual. The situation is complicated, and that is all I really wanted to say: we should not jump to simplistic conclusions.

I will make just a very final, final point. The noble Baroness, Lady Young, asserted that this harvesting is bad for biodiversity; she and I are always on the same side when it comes to biodiversity, and I feel extremely apologetic in having to make a counterclaim. One of the things done by the independent advisory board that I chair was to commission a systematic review of the impacts on biodiversity of biomass harvesting in the south-eastern United States. In fact, there are two studies: we commissioned one and another was carried out independently by scientists at Oxford University, led by my noble friend Lady Willis of Summertown. Both reviews concluded that, far from having a negative effect on biodiversity, the thinning process has either a neutral or even perhaps a slightly positive effect on biodiversity—so, again, one must not jump to simple conclusions.

Lord Hamilton of Epsom (Con): What the noble Lord told us about being on the advisory board of Drax is very interesting. But how about the shipment of all this timber across the Atlantic and the burning of it in the United Kingdom? That seems to me to pollute the atmosphere, as well as contributing to CO_2 emissions.

Lord Krebs (CB): I thank the noble Lord for those questions. As I said, it is not my job to defend what Drax does. I am asked not to do that but to hold its feet to the fire on the sustainability questions relating to the sourcing. With regard to the life cycle analysis, Drax has an obligation to report the life cycle emissions of the power station, and the regulator scrutinises that reporting.

On the question of emissions from the stack at the UK power station, as I am sure the noble Lord is aware, under the UNFCCC accounting system, the accounting for those carbon losses are in the source country, not in the consumer country. Whether that is sensible is a matter for debate, but the fact is that the US has to declare the loss of carbon, and therefore in the UK's accounting that counts as zero because the US has already accounted for it. Many people think that the consumer, not the producer, should have to account for it. It is not my part to adjudicate on that debate, but it is a perfectly valid debate to have.

Lord Teverson (LD): My Lords, we seem to have gone into Committee mode.

I want to talk briefly to Amendment 35 from the noble Lord, Lord Berkeley, to which I have added my name. It is important never to forget that there are those issues in rural communities. I also am on oil, I regret to say. In Northern Ireland, 50% of households

are dependent on oil and only 33% are connected to the grid. It is an important area, and I very much support the spirit of that amendment.

I also want to talk very briefly to Amendment 7, which is about adding "nuclear energy" to the list in Clause 3. I do not understand this amendment because Clause 3(2)(b) on the list refers to

"the reduction of greenhouse gas emissions from energy produced from fossil fuels"—

that must include nuclear—and Clause 3(2)(d) refers to

"measures for ensuring the security of the supply of energy".

I would have thought that the nuclear sector would say it met both those objects. To add nuclear energy to that list would suggest that it does not meet the other two criteria, so that seems totally counterproductive.

Lord Ravensdale (CB): My Lords, I declare my interest as a chief engineer working for AtkinsRéalis. I will make two very brief points.

My first point is on nuclear and the amendment the noble Lord, Lord Teverson, just spoke to, which was brought before the House by the noble Lord, Lord Offord, and spoken to by the noble Baroness, Lady Bloomfield. She made a great point; it is all about that statement of intent from the Government. The only other point I add is that, as regards Great British Energy, we need to think about not only the benefits in terms of the nuclear power stations but capturing that broader benefit for the economy of all the supply chains associated with it. The components, fuels, pumps, rods, control, drive mechanisms—that all requires investment in factories and infrastructure to capture the full economic benefit for the UK. I hope that perhaps Great British Energy could get involved in that, alongside Great British Nuclear.

My second point is around energy security. To follow on from something I raised in Committee, we have clear definitions for much of the terminology in Clause 3 but we do not have a clear definition there for energy security. I raise that because it can mean different things to different people. I think the Government are very focused on fuel security—gas and reducing our reliance on fossil gas. But of course there are many other aspects to energy security: there is cybersecurity, physical security, system reliability and price predictability. It is important to fully define that term so that stakeholders are not left guessing about what is really in the remit of Great British Energy. When summing up, can the Minister commit to having, certainly in the statement of strategic priorities, a firmer definition of what we mean by security of supply?

The Earl of Erroll (CB): My Lords, people are talking a lot about carbon dioxide, and I hugely support carbon capture and utilisation. We have large plants manufacturing carbon dioxide deliberately. For instance, it is used for manufacturing fertiliser and in fire extinguishers—noble Lords may well have some in their house, and there are certainly some around Parliament. The food industry uses a whole lot of it, partly for carbonated drinks and also for refrigeration and some of the manufacturing processes. It is used for freezing and for transporting organs and such things in dry ice, which your Lordships have probably all heard of. It is used in greenhouses for bringing on the ripening of various things, and in the manufacture of a lot of chemicals. It has many industrial uses, and it is used in curing concrete. It is used for lots of things, so capturing it and using it would be very sensible, and we might manufacture slightly less of it.

Lord Bruce of Bennachie (LD): My Lords, I rise very briefly to support the amendment in the name of the noble Lord, Lord Berkeley, but also to comment on the noble Baroness, Lady Liddell. I agree with the noble Baroness, Lady Young, that we need to get it right quickly or we cannot go there, but I hope we can go there. I was very encouraged that the Secretary of State said he might now prioritise the Acorn Project, the cluster in Scotland. That will be very welcome news for a very beleaguered Scottish industry that feels, frankly, that the Government are against it, and this would at least be a positive in the other direction.

On the amendment from the noble Lord, Lord Berkeley, and the comments of the noble Lord. Lord Teverson, the point has been made that the number of people is quite significant, but, if you look at the total across the UK, it is a relatively small percentage. The reality, however, is that, in some parts of the country, a very large percentage of people are genuinely concerned about what the future will hold. The point about Northern Ireland is the most powerful one. I thank the Minister very much for the meeting that he had with us, but what was discussed then was that the Irish Government seem to be on the verge of going down exactly the route that the noble Lord, Lord Berkeley, is recommending. That would clearly be an all-Ireland solution for the north of Ireland, but it would be rather odd if the UK could not find a way of running something similar at the same time.

I have just one other comment. The Minister gave me the impression that the priority for the Government was to get as many heat pumps installed as possible. I completely support that, but the reality, as has already been said, is that quite a lot of the houses are not actually suitable for heat pumps. I do not think there is a conflict here, but the point I would like to make to the Minister is: by all means promote heat pumps as much as you can, but recognise that some parts of the country need a solution fairly urgently, and heat pumps may not be the answer. So the amendment from the noble Lord, Lord Berkeley, has much to commend it and I hope the Government can give a positive response to it.

Baroness Bennett of Manor Castle (GP): My Lords, I rise very briefly, first to offer Green support for the two amendments in the name of the noble Baroness, Lady Boycott. I have just one point to add to our discussion of biomass. The Baroness, Lady Young, referred to the issue of using land that might be used for food production to produce biomass for energy. There is also a point about waste biomass. We talk about it as waste, but one thing we desperately need to do is store more carbon in our soil, and that is an alternative use of things that are being described as waste.

It may not surprise your Lordships' House that I will speak against both the carbon capture and storage and the nuclear amendments in this group.

[Baroness Bennett of Manor Castle]
I will be very brief, but I want to add a couple of factual points and respond to the question from the noble Lord, Lord Howell of Guildford, about why anyone would be against CCS. I point to SaskPower's Boundary Dam 3 in Canada, which, after nine years and $1 billion, now has a capture rate for carbon dioxide of 57%, although it was built with the promise of 90% capture. That is what has happened in a number of projects around the world which have simply failed to match up to delivery.

I compliment the noble Baroness, Lady Liddell, for acknowledging the report from the Public Accounts Committee. This is a group with no particular horse in this race that has looked objectively at the Government's plans and expressed great concern about the risk. One thing that the Public Accounts Committee rightly points out is that scientific evidence recently is showing that producing liquid fossil gas, which is planned to be used to run several CCUS projects, actually leads to the release of more greenhouse gas into the atmosphere than had been thought and so is less "green" than has been claimed. I think the noble Baroness, Lady Liddell, said, "Well, we don't want to increase consumer bills". The Public Accounts Committee notes that three-quarters of the almost £22 billion is envisaged to come from levies on consumers. That is where the funding is expected to come from.

Just very briefly on the nuclear points, I note that we are now up to £130 billion for clearing up old nuclear, Hinkley Point C is running behind time and well over budget and there is great concern about the £40 billion Sizewell C plans. I am sure that noble Lords will want to come back by citing small modular reactors as a response to this. I will just note that the Government on 6 February put out a press release headed "Government rips up rules to fire-up nuclear power"—rather Trumpian sounding, I think. Noble Lords might want to consider: do you actually want a small modular reactor on your doorstep or in your back yard?

Noble Lords: Yes!

Baroness Bennett of Manor Castle (GP): Well, I ran that test at Eton College and I did not get many yeses from there.

5.45 pm

Lord Fuller (Con): My Lords, I shall speak very briefly in support of the noble Baroness, Lady Young of Old Scone, in her Amendment 13. It is said that when you are in a hole, stop digging—especially when it is a bloody great big one. It seems to me that it was the noble Lord, Lord Krebs, who dug himself into the mire by talking about CCC accounting principles, just delegating it to the regulators, so it is all right then, greenwashing away the IMO shipping carbon costs. He undermined his case, and it demonstrates how biomass burners such as Drax use smoke and mirrors to obfuscate. If the noble Baroness had tested the opinion of the House, she might have had much more support than she might have imagined. It is time to stop the classification of biomass as clean energy and I welcome her intervention.

Lord Offord of Garvel (Con): My Lords, I will briefly include a consideration of the second group of amendments, talking about the definition of clean energy, and I express my gratitude to my noble friend Lord Trenchard. These amendments address a matter that many in this House have questioned during our debate: Great British Energy's role and involvement in the production of nuclear. There is no doubt that nuclear energy in some shape or form will have a critical role to play in achieving the Government's net zero targets. If the Government, via GB Energy, are to recognise the importance of nuclear, it is only right that they consult Great British Nuclear before investing in nuclear technology. That is where Amendment 36, proposed by my noble friend Lord Trenchard, becomes so crucial.

I also support Amendment 10, also proposed by my noble friend Lord Trenchard. This explicitly includes nuclear energy in the definition of clean energy. We know that it offers a reliable, low-carbon source of energy. In addition, Amendment 7, tabled in my name, includes

"the production of nuclear energy"

as part of GBE's objectives, which complements Amendment 10 and further solidifies nuclear energy's central role in being part of our long-term solution for energy security and decarbonisation.

Finally, turning to Amendments 2, 3, 4, 5, 6 and 11, proposed by the noble Baroness, Lady Liddell of Coatdyke, which would expand the definition of clean energy, we support the intention behind them to ensure that we remain inclusive of all potential technologies.

To conclude, I urge the Minister to consider the amendments in my name and those of my noble friend Lord Trenchard carefully, as they would help to ensure a clean, secure, sustainable energy future for the UK.

Lord in Waiting/Government Whip (Lord Cryer) (Lab): My Lords, I shall speak not so briefly, actually, on this group of amendments concerning the scope of clean energy as defined in the Bill, particularly in relation of carbon capture, usage and storage, hydrogen, nuclear power, biomass and renewable liquid fuels.

Taken together, these amendments seek to broaden the definition of clean energy within the Bill to explicitly include CCUS, blue hydrogen and nuclear energy, while others aim to restrict biomass or impose additional reporting requirements on GBE. While the Government recognise the significance of these technologies and lauds them in achieving net zero, we must resist these amendments, for reasons I will now set out.

I turn first to Amendments 2, 3, 4, 5, 6, 11 and 12, tabled by my noble friend Lady Liddell of Coatdyke. These amendments aim to ensure that CCUS and CCUS-enabled blue hydrogen are explicitly covered under Clause 3. The Government recognise that hydrogen and CCUS are vital in our transition to net zero, contributing to decarbonisation and energy security while supporting jobs in key industrial regions.

Analysis by DESNZ—a great acronym—and the Climate Change Committee confirms that CCUS-enabled blue hydrogen will be crucial for scaling up hydrogen production into the 2030s, which was referred to extensively at Second Reading, in Committee and today. On hydrogen, Ministers remain committed to delivering

on our current trajectory, which includes offering contracts to the 11 successful electrolytic hydrogen projects through the first hydrogen allocation round and delivering future allocation rounds, as well as providing support for blue hydrogen production through the CCUS programme, with the £21.7 billion recent funding paving the way for the first large-scale blue hydrogen production plant.

Clause 3(2)(b) already enables GBE to facilitate, encourage or participate in projects, such as CCUS and CCUS-enabled hydrogen, that would contribute to the reduction of greenhouse gases from energy produced from fossil fuels. Therefore, these technologies fall within the scope of GBE's objectives. We have made it clear—in the founding statement, in the Explanatory Notes and during multiple stages of the Bill's passage—that emerging technologies such as CCUS or hydrogen could be part of GBE's energy portfolio once it is operational. However, while GBE will be able to invest in these technologies, as we have emphasised on many occasions, it will be an operationally independent company. The exact mix of technologies in which it chooses to invest will therefore be determined in due course and be influenced by available opportunities, now and in future. I hope that the noble Baroness, Lady Liddell, recognises that these arguments are not required and will therefore withdraw her amendment.

I now turn to Amendments 7, 10 and 36, which were spoken to by the noble Lord, Lord Offord, the noble Baroness, Lady Bloomfield, and the noble Viscount, Lord Hanworth, the latter speaking on Amendments 10 and 36 on behalf of the noble Viscount, Lord Trenchard. Amendment 7 in the name of the noble Lord, Lord Offord, seeks to add

"the production of nuclear energy"

as an objective in Clause 3. Amendments 10 and 36 in the name of the noble Viscount, Lord Trenchard, seek to expand the definition of "clean energy" used in Clause 3(2)(a) to ensure that it includes both renewable energy and nuclear energy and would require GBE to consult GBN before it invests in nuclear energy.

We must resist these amendments for two key reasons. First, it is already possible for GBE to invest in nuclear energy. Nuclear energy is already defined as clean energy under Clause 3; as such, its production, distribution, storage and supply are activities that GBE could undertake under Clause 3(2)(a). Secondly, I assure noble Lords that GBE would engage with Great British Nuclear ahead of any such investment in nuclear energy. I do not think that we need to include such a requirement for the Secretary of State to direct GBE to engage with GBN ahead of any investment in nuclear energy given both this context and the fact that the Secretary of State is the sole shareholder in both companies.

This Government view nuclear power as one of the reliable, secure, low-carbon sources of home-produced electricity. It will play an important role in helping to achieve energy security and clean power while securing thousands of good, skilled jobs as well as a range of power and energy supplies. The Government are taking significant steps to advance nuclear energy. GBN is leading the selection of small modular reactor technology. Incidentally, a record £410 million has been allocated for fusion research and development, supporting cutting-edge facilities and research.

I wish to add something regarding the comments from the noble Baroness, Lady Bloomfield. Considering the importance of the remits of the two entities, GBN and GBE, they will remain independent sister companies for the time being to ensure that both organisations are best placed to deliver on the Government's ambitions for energy security and variety of supply. We are maintaining a nuclear focus board for GBN, with highly specialised and experienced personnel; again, this has been debated over a long period. The two organisations will work together effectively to ensure that the UK is on the path to achieving energy security and clean power while securing thousands of skilled jobs.

I hope that the noble Lord, Lord Offord, recognises that this Government are taking active steps to support the continued growth of the nuclear sector; that he is reassured that the Bill allows for GBE to support nuclear energy within the definition of clean energy; and that he will agree not to press his amendment.

I now turn to Amendments 13 and 44 in the name of the noble Baroness, Lady Boycott; my noble friend Lord Berkeley and the noble Baroness, Lady Young, also spoke to them. Amendment 13 seeks to exclude biomass from the Bill's definition of clean energy. Amendment 44 would require GBE to produce a plan for its use of biomass power generation and assess the impact of it on both sustainability and its compliance with targets and obligations.

I must resist these amendments for the following reasons. The Government recognise biomass as vital to the UK electricity grid. The Intergovernmental Panel on Climate Change and the UK's Climate Change Committee—the CCC, which engages with Governments of all hues—highlight its role in decarbonisation if strict sustainability policies are in place. Biomass sourced under strict sustainability criteria is considered a low-carbon energy source; the noble Lord, Lord Hamilton, also spoke about this.

The Government support only sustainable biomass, and generators such as Drax receive subsidies only for biomass that meets the UK sustainability criteria. A CfD has recently been agreed with Drax for short-term support from 2027 to 2031 to provide crucial low-carbon, dispatchable power for UK energy security. With our having introduced tough new sustainability measures with clear and enforceable standards, Drax will need to use 100% sustainably-sourced biomass—up from the current figure of 70%—and no more money will be paid for non-compliant biomass. There will be substantial penalties for any failure to meet these strict criteria, protecting both consumers and the environment.

The comments from the noble Lord, Lord Krebs, were interesting, to say the least. He set out that the figures are more complex than the headline figures might appear. I would add that the UK's sustainability criteria limit supply chain emissions and include environmental protections. Where biomass comes from forests, land criteria ensure sustainable harvesting and productivity. Large-scale biomass generators can convert to bioenergy with carbon capture and storage—BECCS—which the Climate Change Committee and the International Energy Agency recognise as key to net zero, delivering negative emissions alongside low-carbon electricity. Of course, Drax's activities are accountable to Ofgem.

[Lord Cryer]

Amendments 13 and 44 would unnecessarily constrain the company, despite the role of biomass in balancing an energy system with increasing renewables. GBE will operate independently, with its investment choices guided by strategic priorities and opportunities available at the time. Parliament will scrutinise its activities—we have just discussed this at great length, particularly with regard to Clause 5—through annual reports and standard accountability processes.

The Government have tabled an amendment requiring GBE to review its impact on sustainable development. This will ensure compliance with environmental regulations while supporting nature and biodiversity. The framework document will mandate annual reporting on sustainable development, embedding it into the company's strategy and operations. Given these reasons, I hope that the noble Baroness, Lady Boycott, can see a way not to press her amendments.

Amendment 35 in the name of my noble friend Lord Berkeley seeks to direct GBE to assess energy-related issues for off-gas grid households and to report on the role of renewable liquid heating fuels. I must resist this amendment for the following reasons. While the Government recognise the challenges faced by off-gas grid households, GBE will have the autonomy to determine its investment priorities. The Government already have measures in place to support those households. For example, the boiler upgrade scheme is receiving an extra £30 million for this financial year, as well as a near-doubling of its budget to £295 million in the next financial year, so that families can benefit from £7,500 off the cost of a heat pump. Evidence shows that 42% of grants under this scheme have gone to properties off the gas grid; that figure is not bad.

As my noble friend Lord Berkeley discussed with my noble friend the Minister, although renewable liquid fuels may play a limited role in decarbonisation, their affordability and supply constraints make them unsuitable for large-scale deployment. We are committed to engaging with industry on the challenges and solutions for decarbonising heat in rural homes, and we will take a considered and proportionate approach. I therefore hope that, with my response and the meetings that my two noble friends have had, my noble friend Lord Berkeley will be able to see a way not to press his amendment.

6 pm

Baroness Liddell of Coatdyke (Lab): My Lords, I am grateful to the Minister for what he has said and am happy to withdraw my amendment. We understand that Great British Energy is independent, but we are very grateful for the statements that the Government have made around the issue.

Amendment 2 withdrawn.

Amendments 3 to 7 not moved.

Amendment 8

Moved by ***Lord Hunt of Kings Heath***

8: Clause 3, page 2, line 18, at end insert—

"(including through projects involving or benefiting local communities)."

Member's explanatory statement

This amendment clarifies that Great British Energy may facilitate, encourage and participate in the things mentioned in subsection (2)(a) to (d) through projects involving or benefiting local communities.

Lord Hunt of Kings Heath (Lab): My Lords, Amendment 8 relates to Clause 3 and makes it clear that community energy is within scope of the objects of Great British Energy. I am grateful to the noble Earl, Lord Russell, for his support and for our engagement between Committee and Report.

We had an interesting and somewhat lengthy debate in Committee on the role of community energy. I have always recognised the important role that community energy can have as we strive for clean power and net zero. Following positive discussions across the House, particularly with the noble Earl, Lord Russell, I accepted that the role of community energy could be made explicit in the Bill. That is why this amendment has been tabled. It sets out a clear intention that local and community energy is important for Great British Energy and the Government.

GBE will enhance existing support for community energy. This will be done through partnering with, and providing funding and support to, local and combined authorities, as well as community energy groups. This is very important. To support community energy groups to access funding and to establish themselves in all areas of Great Britain, GBE will provide commercial, technical and project-planning assistance, increasing the capability and capacity to build a pipeline of successful projects in local areas. This has clearly been missing in the current arrangements, where lots of local groups want to develop community energy but find it difficult to access advice and access the pathway to finance. GBE has a really important role to play here. I beg to move.

Earl Russell (LD): My Lords, I support government Amendment 8 and will speak to my Amendments 14 and 25. I am deeply grateful to the Minister for putting community energy in the Bill with Amendment 8. It is now clear that Great British Energy may facilitate, encourage and participate in those things mentioned in Clause 3(2)(a) to (d) through projects involving or benefiting local communities.

I am really pleased, as this is a win for MPs on all sides of the other Chamber and for noble Lords on all Benches in this Chamber. There is notable strong cross-party support to see community energy in the Bill. It was a key objective for us, and I am delighted that we have had a successful negotiation and got this done. We have the third-best wind resources in the world. It is our view that there can be no Great British Energy without Great British community energy. With this amendment, our objective has been achieved.

It is worth noting that, as the Minister said, GB Energy has a unique role here. When Jürgen Maier was before the Energy Security and Net Zero Committee he talked about a system coming "out of the box". That is exactly it—going into local communities, GB Energy will be able to deliver community energy and engage with them from start to finish.

I remind the House that community energy could deliver up to 8 gigawatts and power 2.2 million homes, saving two nuclear reactors-worth of energy. It could

remove 2.5 million tonnes of CO_2 and provide over 30,000 jobs. What is not to like about that? I am delighted that we have made progress on this and I thank the Minister.

Moving on, my Amendment 25 is a probing amendment in response to a question that my counterpart, Pippa Heylings, asked in the Commons this week about the fact that, at the moment, the £10 million community energy fund is oversubscribed. Some 100 projects are unable to get funding, and the money is due to run out in May. While I greatly appreciate getting community energy into the Bill, can the Minister provide clarity on what will happen with that fund? Is he able to put more money in? Is there an interregnum until GB Energy can start funding it? Ed Miliband gave very strong words in support of community energy but did not really answer my honourable friend's point about the money. If the Minister can provide any more certainty or say whether this is being looked at, that would be appreciated.

Amendment 14 is our warm homes plan and emergency home insulation plan. It requires the Government to transfer the responsibility for the warm homes plan to GB Energy should it be requested. We have some of that coldest, dampest and most miserable homes in Europe. UK housing stock accounts for around 7% of total carbon emissions. They are among the least energy-efficient homes in Europe, with 12 million homes in England alone currently falling below adequate energy efficiency standards. The UK Climate Change Committee has said that residential retrofits need to increase to a rate of 500,000 a year by 2025 and 1 million a year by 2030 to meet our climate targets. This is a huge and daunting task. It is one of the biggest infrastructure tasks of the 21st century.

Our citizens have suffered cold, damp, draughty and unhealthy homes for far too long. In the single largest housing-related cost burden to the NHS in 2023, some £50 million was spent fighting cold-related illness. Homes cost more to heat than they should because they do not retain the heat that the homeowners pay for. The best energy of all is the energy that we never use, in particular the energy that we do not waste on absolutely nothing. Energy efficiency remains a missing part of overall energy policy. Citizens should not have to choose between heating and eating. In this country, 6 million people live in fuel poverty, while at the same time we are wasting this energy. It is utter madness.

The last Government completely failed to tackle this problem. They cut the funding and the ambition to deliver warm homes and to insulate our homes. That was not good enough. Carbon Brief calculated that UK energy bills were £22 billion higher over the past decade than they should have been because the Conservatives cut the "green crap". The number of homes being insulated each year at the start of 2024 was 98% below 2012 levels. Of that £22 billion, £5 billion was due to poorly insulated homes and £3 billion was because homes were being built that were not meeting energy efficient standards.

However, no Government of any persuasion has ever managed to tackle this problem. It is a tough nut to crack, even with the best will in the world. Going house-by-house and retrofitting our mixed housing stock is an extremely challenging undertaking. I welcome this Government's commitment to the warm homes plan and the £6.6 billion in funding that has already been provided. The programme that the Government are setting out will provide low-interest loans to support families to invest in insulation, encourage low-carbon heating and enable the retrofitting of our homes. The Climate Change Committee has estimated that £3.15 billion is probably the total cost of getting this done, but I welcome what the Government are doing. My amendment is not a criticism of that but is here to support.

The burden is on the private sector, where 90% of these properties are owner-occupied and not meeting standards. We need to do stuff with the over-65s, because that is a particular problem. We need to tackle fuel poverty, as we have 2.26 million homes in fuel poverty as of 2022. We need new financing options, particularly green mortgages, so that private home owners can take the cost of making these measures and put them against their mortgage, and we need similar situations for people in the private rented sector.

This is good, though. The New Economics Foundation has said that every £1 spent of public investment could generate £4.60 in capital expenditure and £6.90 in broader economic activity; this is good for our homes and our economy. It could create thousands of green jobs and increase local UK supply chains.

I am worried about the delivery of these plans; that is why I have put this amendment forward. I recognise that the Government are exploring these issues as we speak and that my amendment is a bit radical and left field. I say to the Minister that this is difficult, and at a time when the Government are also trying to put in solar panels and heat pumps. I am not the only person to be concerned about delivery of these plans. I recognise that GB Energy is an independent organisation. My amendment is not prescriptive; it is simply about not ruling out options from the start. It is about making sure that that door is not closed to GB Energy from before it is set up; it is about making sure that there is space for those conversations to take place.

If my amendment passes and GB Energy never approaches the Government or the Minister to say that it wants to take any of this on, for whatever reason, then my amendment does no damage at all; it makes no difference whatever. It comes into play only if GB Energy approaches the Minister and says that it has the skills and the contacts within the industry, that it fits with its community energy plans, and that it wants to do this and make a difference. This amendment, if it does nothing else, allows these conversations to take place, and I think that is a good thing. I dare the Government to be different and take a different approach to this daunting and challenging task.

The Deputy Speaker (Baroness Watkins of Tavistock) (CB): My Lords, I apologise. I failed to make it clear at the beginning that, as Amendment 9 is an amendment to Amendment 8, I have to call Amendment 9.

Amendment 9 (to Amendment 8)

Moved by ***Lord Whitty***

9: After "communities" insert "and projects providing for workforce planning and training to ensure adequate jobs and skills in a fair transition to cleaner energy"

Lord Whitty (Lab): My Lords, I thank the noble Baroness on the Woolsack for that clarification.

I applaud completely Amendment 8, and am glad that the Government have moved this amendment which reflects the discussion in Committee. However, I am deeply disappointed that they failed to reflect an amendment that I tabled in Committee and had hoped that Ministers would accept. I find it quite extraordinary that, in a Labour Government's proposition on the transformation of the energy sector, there is no clear reference to the workforce, workforce planning or raising skills.

We are, in effect, transforming over time a workforce whose most skilled and probably best paid employees work on oil wells to then operate in the wind sector, other renewable energy sectors and the nuclear sector. We wish to transform the generation end, but it affects the distribution and transmission end as well, where the whole system has to be changed and made more connected. The development of storage and new skills will be required, right through to the retail end where today's jobbing electricians, gas fitters and plumbers will have to change their skills to fit in with the new energy form. But the Bill does not mention it.

I criticised the Conservative Government, who had much longer Bills where the words "skills" and "workforce" did not appear, but this Bill, on the strategic requirement for Great British Energy, which will be a major mover in this area, does not really mention skills. I hope, therefore, that the Minister will accept that there is a requirement and bring forward an amendment at Third Reading which reflects that.

I gently say to the Ministers on the Front Bench that, unless we reflect on that, we are going to lose some support among the existing workforce and those who might be thinking of training to enter the workforce. This applies to other Bills as well; if I were capable of being in two places at the same time, I would be making the same point on the buses Bill, where a relatively elderly workforce is going to be faced with a transformation in technology and regulation. I might also have made the same point on the railways Bill.

I gently say to my colleagues on the Front Bench that these are quite heavily unionised industries that they are proposing to transform. It would be good to have the representatives of the existing workforce, and, potentially, the future workforce, on-side in the job of Great British Energy and the Government. I declare an interest as a member of the GMB and the former general secretary of Unite and UNISON. We are at an early stage, and the Government need to recognise that representation will be important during this transformation of a very important sector. I hope they will recognise that and commit to putting something in the Bill for Third Reading.

6.15 pm

I will make a brief remark in relation to Amendment 14, which the noble Earl, Lord Russell, has spoken to. I gather that the Government are going to oppose that amendment, and indeed I am not too happy with the wording myself. But it is important that Great British Energy has responsibility not just for energy generation and distribution but for energy efficiency, and that it has the ability to step into this field. I hope the Minister makes that clear.

Meanwhile, on my main point, I hope to have a more positive reply from my noble friend the Minister, who has been very helpful in other respects. I hope we have some positive news.

Lord Hamilton of Epsom (Con): I will speak to government Amendment 8 about community energy supplies. The noble Baroness, Lady Bennett of Manor Castle, said that, when she was at Eton, there was nobody there who wanted to have a small modular nuclear reactor near to their home. This is something that I think may be more widespread than just Eton. I suspect that many people will be looking at the value of their houses and thinking that if they have a small modular reactor power station nearby, the value of their house may drop.

Therefore, I ask the Minister whether his idea of community energy supplies includes offering either cheap or free energy to people who live in the locality. That would make an awful lot of difference to the acceptability of SMRs—I once again declare my modest shareholding in Rolls-Royce—because then you might well have a situation where a buyer of a house that is slightly close to a small modular reactor gets a deal for either cheap or free energy. It is very important to make these things acceptable to people in the locality. I suspect that, if it is possible for the people who are putting in the small modular reactor to say to people locally that they can have cheap or free energy, that may well go an awful long way to making these things acceptable in a way which they otherwise would not be.

Lord Wigley (PC): Before the noble Member sits down, will he address the point that many of the sites that have been earmarked for SMRs are existing nuclear sites? Any effect on property values has probably already happened, and those sites clearly have an appeal for such SMR projects.

Lord Hamilton of Epsom (Con): I totally accept that fact, and people have certainly got used to having much bigger reactors on those sites and so will not worry about it. I have ambitions, though, for SMRs that go way beyond existing sites. There are not that many of them in this country, and I hope that we will have an awful lot more. When I come to move my amendment later on in the evening, I will be making reference to the fact that we might have a small modular reactor for specific purposes.

Baroness Hayman (CB): My Lords, I will intervene very briefly on this debate, and I declare my interest as chair of Peers for the Planet. I have just a couple of points on the issues that have been raised. First, to follow up on what the noble Lord, Lord Hamilton, said, the idea of ensuring that communities gain the benefits of infrastructure that is near to them applies not only to small modular reactors but to many other things. In particular, the House knows of my concern for onshore wind and an increase in onshore wind developments. We have to do that in a way so the community, first, understands why we are doing it, and secondly, sees some benefit from those projects, whether on an individual or community level.

The other thing—and I of course welcome the government amendment on community energy—is that I very much agree with the spirit of what the noble Lord, Lord Whitty, said. Some of us get very weary trying to inject the same issues of principle into legislation after legislation. Skills and the needs of the workforce, and the way we practically turn aspirations for green growth and green jobs into satisfying, well-paid, sustainable jobs, has to be done through the nitty-gritty of skills training, passporting and making sure that the opportunities are there for transition and for young people. It is enormously important that the Government and GBE do not lose sight of that.

In exactly the same spirit, we have banged on—if that is a parliamentary phrase—about home insulation and energy efficiency on any number of Bills. If I may say so to the noble Earl, Lord Russell, it is probably slightly inelegant to put that in the Bill as a hypothetical for what GBE might want to do, but the spirit of what he is saying, and the fact that this has been such a recurring theme, is absolutely central: it has so many benefits in saving money, saving emissions, increasing health and ensuring that we lift people out of the poverty that is occasioned by the housing in which they live. I hope that the Minister can give us some encouragement that the warm homes strategy, or whatever we are calling it this time—we have called it lots of different things over the years but have not been very successful in delivering it—will be a high priority for the Government.

Baroness McIntosh of Pickering (Con): My Lords, I will speak to Amendment 22, in my name and those of the noble Baronesses, Lady Boycott and Lady Young, and the noble Lord, Lord Teverson. I congratulate the Government on bringing forward their Amendment 8. I imagine that it will find favour with the House rather than Amendment 22, but I will take the opportunity to press the Minister on a couple of aspects, just to give me reassurance that he means more than the warm words that we see expressed in his amendment.

In particular, how do the Government intend to deal with the current uncertainty over the community energy fund's future? Is the Minister able to give us a guarantee of how that will pan out? Also, does he intend to take, or encourage GB Energy to take, early action to ensure that the fund will be matched by other funds, as I understand needs to be done, and that clear instructions on the above will indeed be set out in the strategic priorities for Great British Energy, as required by Clause 5?

I am not that familiar with community energy schemes, but I have seen how they operate in Denmark—I declare my interest, being half Danish and taking a great interest in Danish matters. I understand that they are so successful in Denmark because there is a system where local citizens, often organised in co-operatives, which again is very Danish—Arla is a co-operative in the milk industry that many here are familiar with—own a significant portion of renewable energy sources, such as wind farms and heat networks. Does the Minister agree that community ownership is part of the success of these schemes and that that is a path down which he would seek to go?

Lord Fuller (Con): My Lords, I will speak briefly to my Amendment 53, which seeks to ensure that the voices of local people are heard when proposals are made or encouraged by GB Energy for renewable energy projects that impact on local areas. This is a group about community involvement and consultation, and how people might have their say. I regret to say that, in so many cases, local people have been airbrushed from the debate, which has been conducted above their heads. We build resentment, scepticism and resistance when local people are denied their say. I speak with authority when I say that the NSIP system is being systematically abused by developers of solar farms, who string together otherwise stand-alone and discrete proposals for small-scale solar and aggregate them together as a device to somehow creep over the threshold. The voices of the local planning authority, locally elected representatives, local people and business are excised from the record.

The NSIP system was designed to allow truly exceptional and impactful infrastructure projects to be considered in the national context. I completely support that principle, but I see in my own area, for example, that one proposal, extending to 1,100 hectares but covering 40 square kilometres and at least a dozen separate landowners some 15 miles apart, has been cobbled together in the crudest and most cynical manner to creep over that 100-megawatt capacity line. It undermines public confidence in our planning system and acts as a recruiting sergeant for conspiracy theorists and their superficial, fundamentalist views. We will all become tainted and tarred by their brush while we deny the public due process and a proper say on these schemes, which should be decided locally but are not.

Later, on Amendments 50 and 52, I will say that solar should not be permitted on the best and most versatile land—grades 1 to 3A. I recognise that other land could be used for large-scale renewables, but we need to exercise care and caution. Even grade 4 or grade 5 land has a value, but that is more likely to include amenity value, outstanding landscape contribution or wider social benefit, perhaps in areas of outstanding natural beauty or other designations. It is for that reason that, for all land—even in cases where land may be at the poorer end of agricultural quality—changes in use to renewables more widely should be consulted on for residents within a 20-mile buffer of the widest proposed land extent. My amendment provides for this stipulation.

It is because the NSIP system is being abused and has fallen into disrepute that I have brought this amendment to repair the damage and indignation that local people rightly feel. We are storing up some terrible problems if the political class structurally sidelines views in an unthinking dash for renewables and fails to consider those wider impacts.

Baroness Boycott (CB): My Lords, I rise briefly too to speak to my Amendment 22. I am very grateful for all the support of so many noble Lords, and I am thrilled to be standing here after so many attempts to get community energy into the statute books. I note the work of Power for People, which has done a fantastic job over the years to make this happen.

Following on from the point made by the noble Baroness, Lady McIntosh, my sister has lived in Denmark for over 50 years now and she has had a financial stake

[Baroness Boycott]
in a wind farm for a very long time. She gets good, reliable, cheap energy. They really like it; it makes you feel like part of something.

I do not support the Liberal Democrats' amendment that GB Energy should have to pay for all the home insulation, but I am extremely worried about where this money is going to come from. I do not see a place. We all understand that we have to do something about homes, for all the many reasons that the noble Earl, Lord Russell, and the noble Baroness, Lady Hayman, set out, yet there seems to be a bit of a black hole, as we call it, in this department. You cannot get everything out of the GB Energy fund, and it is right that it should be ring-fenced around the actual production of the new green fuels that we all need, but there needs to be a be a really tough plan. I would be very interested to know what the Government have in store.

6.30 pm

Earl Russell (LD): The aim of my amendment is not that GB Energy should pay for it; I feel that GB Energy would be a good body to deliver it.

Baroness Boycott (CB): Okay.

Baroness Young of Old Scone (Lab): My Lords, may I add to the outbreak of harmony by thanking the noble Earl, Lord Russell, and the Minister for Amendment 8? As the noble Baroness, Lady Boycott, said, it is great to see local community benefit coming on to the face of the Bill. Especially since all the supporting material about GB Energy is very strong on community energy schemes, it just seemed rather crazy that it was not in the Bill, so I say thank you for that.

Ideally, of course—we environmentalists are miserable people who always want more, so I am moving on to Amendment 22, to which I also have added my name—with the Government having gone as far as Amendment 8, which puts community energy schemes on the face of the Bill, it would be quite nice to get slightly more specific recognition that such schemes need to be part of the strategic priorities. Therefore, can the Minister say why he will not accept Amendment 22, which I assume he will not support?

Baroness Bennett of Manor Castle (GP): My Lords, I shall join in the general outbreak of harmony that has struck your Lordships' House and welcome government Amendment 8 on community energy. This is one more demonstration that campaigning works—but, boy, does it often take quite a long while. I really must commend Community Energy England, Green Alliance, and Peers for the Planet, which have all been pushing this issue for a very long time. I also commend your Lordships' House collectively, because your Lordships may recall that, in the previous Government's Energy Bill—now an Act—this was the last amendment standing, as we defended again and again the need to include community energy on the face of that Bill. Perhaps this is a demonstration to your Lordships' House that it is a good idea to stand up for principles, because eventually you will get there, even if it takes some time.

To echo the remarks of the noble Baronesses, Lady Young and Lady McIntosh, yes, we would like to see the Government go further, both in the strategic priorities and in the sense that we need long-term, stable policies. I remember meeting so many community energy groups that were just about ready to go when the feed-in tariff was ripped out from underneath them and their projects collapsed after so much voluntary effort had been put in. The people doing this need the certainty to know that this will work and deliver, and that means long-term, stable policies.

Turning to Amendment 14 in the name of the noble Earl, Lord Russell, I can say that, based on the clarification that he has just provided, the Green group will be pleased to support his amendment, should he press it to the vote.

In the previous group, we were talking about Drax, which has benefited from £6 billion of subsidies since 2012, which the people and the planet cannot afford anymore. Imagine if that £6 billion had gone into home energy efficiency instead; there is good evidence to show that we would have needed so much less generation in the first place. The cleanest, greenest energy that you can possibly have is the energy that you do not need to use. There are not only the environmental benefits and the cost-of-living benefits, as huge as they are; there are also the public health benefits, since so many people live in unhealthy homes. Your Lordships' House often talks about productivity and all the people of working age who are not in paid work. The quality of our homes is a big issue there, and that must not be forgotten as an added bonus, as well as the environmental and cost-of-living ones.

Lord Ravensdale (CB): My Lords, I too very much welcome the Government's Amendment 8 and thank the Minister for the productive engagement we had in between Committee and Report.

I also thank the Minister for facilitating the very useful discussion with the CEO of Great British Energy on local area energy planning, which tunes into some of the things we are doing in the Midlands. I would welcome a brief reassurance from the Minister on local area energy planning and how that is to be taken forward. One of the concerns is that it is absolutely vital to get local authorities engaged in the process and have that bottom-up view on energy assistance governance to match the top-down view that will be brought forward in the spatial strategic energy plan, as other noble Lords have said. Local energy planning is central to that, but we have seen a great disparity in the UK, with large, well-funded combined authorities and councils taking a rigorous approach, but other, less well-funded ones simply not having the resources to do that. Great British Energy could provide a key role here in funding local authorities and in having that view across the system of local area energy planning. I would welcome some reassurance from the Minister on the way forward for local area energy plans. Will they be one of the things that Great British Energy invests in?

The Lord Bishop of Norwich: My Lords, I support the Government's Amendment 8. It is good that the Government have introduced this amendment so that Great British Energy can facilitate, encourage and participate in local community energy projects. I pay tribute to the noble Earl, Lord Russell, for the work he

has done on this, as well as a number of different campaigning organisations and other Members of your Lordships' House. This is a very important amendment, and it will be a great help to a whole range of different community organisations.

I also support the comments made by the noble Baroness, Lady McIntosh, and the noble Earl, Lord Russell, in pressing the Minister about the community energy fund. Some reassurance there would be very helpful.

Village halls, sports centres, voluntary youth organisations and churches could all benefit from being able to generate local energy for local people. I certainly see the potential for our churches, which have wonderful south-facing roofs. With the planning consent given to King's College Chapel in Cambridge to have solar panels and other landmark projects such as York Minister and Salisbury Cathedral, there are new opportunities emerging.

I warn your Lordships that, if you are ever invited to go to a dedication of solar panels on a church roof, just beware. When I went to dedicate the solar panels on the roof of St Peter Mancroft church in the centre of Norwich back in September, a very observant member of the public rang 999, saying that a youth was stealing lead off the roof. When I came down, having dedicated the solar panels, I had to answer to two local police officers who had turned up—it was a great compliment to be called a youth, though.

This is important work for community groups and the charitable sector to be able to contribute to their local communities in new ways, particularly in areas of low economic activity, and to provide income for their sustainability. There is a challenge that I wanted the Minister to be aware of, however. The connection charge that is asked for to upgrade the electricity connection to many churches and community centres often prohibits them being able to do this sort of work. In the diocese I serve, St Margaret's church in Lowestoft has just been quoted a sum of around £100,000 to make the connection. That means that the project is just unaffordable, so we need to be creative and think more about how community groups can be able to engage.

But I warmly support the Government bringing forward their Amendment 8.

Lord Teverson (LD): My Lords, I too very much welcome the Government's amendment. I would also like to congratulate the noble Baroness, Lady Boycott, on her work to get her amendment there, which I think added pressure. The noble Lord, Lord Whitty, has made a very good point. It may be something that will carry on in other Bills as we go through the Session.

I want to talk briefly about the amendment from the noble Lord, Lord Fuller. There is some truth in it, but I think it is an amendment in the wrong Bill. This whole area of land use will come in when the Government finally bring forward their land use legislation. I would point out that onshore wind has a very small footprint in terms of agricultural land. If we had that 20-mile radius, I am thinking of the first field south of London that has, perhaps, a very modest wind farm or a single turbine. It would probably require a consultation with some 5 million people for that one turbine. So, I think it is the wrong place and the wrong amendment for this Bill, and it discriminates against certain parts of renewable energy. There is something in it in relation to land use that does need to be pursued, but perhaps in a Bill to come later in this parliamentary Session.

Lord Howell of Guildford (Con): My Lords, I have glad tidings for the noble Baroness, Lady Boycott, regarding her concerns. There are between 23 million and 27 million homes in this country still using gas for heating, cooking and warmth. Clearly, that has to be tackled. The answer is quite simple, but complicated as well. The answer is that modern electric boilers can replace all those gas boilers, without having to dig and provide new hydrogen pipes and all sorts of other such complications.

The snag is that electricity is so hopelessly expensive. That is the deterrent. Here we are, wishing to transform millions of homes away from gas, and the pipes then will all become redundant. We can put in modern electric boilers, which can do the job just as well, but the cost goes up rapidly. If only we could focus on how to reduce the cost of electricity by building rapidly—which we are not doing—the cheaper, smaller modular reactors and cheaper devices for producing electricity, and even using more hydrogen on the electricity side; that is another story that we have not really discussed. Even on that basis, we are facing the problem that electricity is very expensive. As long as we keep it that way, as long as we play that game in relation to the overall energy cost, we are shooting ourselves busily in both feet.

Lord Offord of Garvel (Con): My Lords, the topic of community energy was raised several times in Committee by noble Lords on all sides of the House, because it is a highly important aspect of energy provision. When in government, we introduced the community energy fund, which provided funding to specifically target the community energy sector. So, I would concur with noble Lords that it is very important that communities are involved, as they are able to raise and solve issues that are unique to their local community.

Lord Hunt of Kings Heath (Lab): My Lords, I will first say that I am grateful to noble Lords for their support for my Amendment 8. I echo what the noble Baroness, Lady Bennett, said about the success of campaigning. She might have recognised the Government's role in this, but she did not quite get that over the line. But there is always hope.

On the point made by the noble Lord, Lord Hamilton, about community benefits, I agree with the principle; we are looking at community benefit schemes. I have told noble Lords before about my visit to Biggleswade wind farm, where the company involved is giving around £40,000 a year to the local community. Certainly, we need to look at schemes like that and see what we can do to extend them.

As regards nuclear and that interesting discussion, the noble Lord, Lord Wigley, made it very clear that the existing sites contained in the last statement will always be recognised for what they offer. We are not seeking to undermine their potential; we are simply saying that we need a more flexible siting policy in the future.

[Lord Hunt of Kings Heath]

The noble Lord did not mention Wylfa, so I will. Of course, he will know that Wylfa was identified as one of the sites in the last statement. Clearly, it still offers many potential opportunities. There was a great deal of interest earlier this week in the planning inspector's report, which purportedly came out against the development of Wylfa. I, for one, think that it offers great potential.

6.45 pm

Within the new national policy statement there is still a restriction, so that even small modular reactors—even advanced nuclear reactors, generation 4-type reactors—can be sited only in semi-rural or rural areas. We still have criteria around that. I am thinking about Eton. The playing fields are extensive and there is a lot of green land around, so I am not quite sure, but I suspect that it is hedged in by things to do with castles and lots of people as well. The point is that we see huge potential for small modular reactors. The point is well taken and the new planning statement will encourage that.

In relation to my amendment, I very much take the point made by the noble Lord, Lord Ravensdale, about local plans, and the links with local authorities and combined authorities. He and I have had a very fruitful discussion. I should acknowledge the contribution that Midland Engine has played, and his role in it. He has discussed with me the sort of work that has been done in the Midlands in relation to energy. I am very excited by that. I want to see, in any new configuration of local government, mayors and combined authorities, that that work is taken forward.

I also acknowledge the right reverend Prelate the Bishop of Norwich. I can only express my admiration for his bravery in climbing on the roof of a parish church, and for the contribution of the Church in this area. A few months ago, in Birmingham, I met a group of church people interested in community energy; the potential is clearly there. I take his point in relation to connections and I will ensure that that is considered by my officials. Clearly, we cannot expect to see community energy develop if there are so many obstacles put in its way.

One of the great advantages of Great British Energy is around trying to help these schemes come to fruition. That does not mean to say that I can wave a magic wand and deal with the connection.

6.47 pm

Sitting suspended.

7.15 pm

Lord Hunt of Kings Heath (Lab): My Lords, I have already spoken to my Amendment 8 and I now turn to Amendment 9 from my noble friend Lord Whitty, which is an amendment to my amendment. I had an opportunity for a very useful discussion with him after Committee. On jobs—the skilled people in the industry—I make it clear to the House that in Great British Energy's policy priorities its mission is to drive clean energy deployment, boost energy independence and create jobs, alongside the other important aims. The GBE founding statement is explicit that GBE will boost the number of skilled jobs in this essential industry.

The statement of strategic priorities will reiterate these points and provide some more detail, and I am confident that GBE will take strongly on board the point that my noble friend has raised. We have already said that we expect trade unions to have a role in GBE, and I think the appointment as a non-executive director of my noble friend Lady O'Grady, the former general secretary of the TUC, supports this. I would also very much like to arrange a meeting between my noble friends to discuss this further.

On Amendment 22, we expect the statement of strategic priorities to outline any areas or programmes of activity that the Government would like GBE to prioritise in pursuit of its objectives. The problem with the wording of this amendment is that it would distort the work of GBE by placing community energy above and beyond the company's other strategic priorities.

On Amendment 25, to support community energy groups to access funding and establish themselves in all areas of the UK—a point I made earlier—GBE will provide commercial, technical and project planning assistance, increasing the capability and capacity to build a pipeline of successful projects in local areas. Our local power plan will ensure coherence with other public sector advisory functions, and funding and finance organisations operating in the local energy space.

On community funds, of course we recognise the important role that community groups play in our efforts to tackle climate change and the sector asks around future funding. Great British Energy will build on the community energy fund by partnering with and providing funding and support to community energy groups to roll out renewable energy projects and develop, as noble Lords have said, up to 8 gigawatts of power. Further details will be set out shortly, but that is as far as I can go tonight.

As far as Amendment 14 is concerned, I make it clear to the noble Earl, Lord Russell, that there is no question about the importance of what he said about the challenge we face in relation to our building stock. That is therefore the challenge of our warm homes plan. We do not agree with the amendment because we do not think it should be the role of GBE to roll out the warm homes plan. I think he was talking about a wider principle than specifically the Bill and the role of GBE.

The warm homes plan has to be seen as a vital component of our ambition to become a clean energy superstar. As a first step we have committed an initial £3.4 billion in the next three years towards heat decarbonisation and household energy efficiency, and £1 billion of that has been allocated in the 2025-26 financial year. The intention is to upgrade up to 5 million homes across the country over this Parliament by accelerating the installation of efficient new technologies such as heat pumps, solar, batteries and insulation and to work and partner with combined authorities and local and devolved governments to roll this out. I accept that this is essentially a first step. It is a really challenging area, alongside our industrial processes. We will set out further details on the warm homes plan in due course, and we think that is the best way to proceed.

Finally, there are two responses to Amendment 53 tabled by the noble Lord, Lord Fuller, with whom I had the opportunity of a very useful discussion. I do

not think it necessary to constrain GBE. Any development in which it is involved and provides finance will be subject to the existing stringent planning regulations, although we hope to see reform of our planning system, and the environmental impact assessments in environmental legislation that is brought to bear when considering these applications. The noble Lord's argument should be with the planning system and environmental protections. The noble Lord, Lord Teverson, is right—we do not think that this Bill is the appropriate place for these proposals.

Lord Whitty (Lab): My Lords, I will withdraw this amendment to an amendment. I tabled it because Clause 3(2) restricts the objects without mentioning the workforce. If my noble friend has other ways of dealing with this, that is fine.

Amendment 9 (to Amendment 8) withdrawn.

Amendment 8 agreed.

Amendments 10 to 13 not moved.

Amendment 14

Moved by ***Earl Russell***

14: After Clause 3, insert the following new Clause—

"Warm Homes Plan and emergency home insulation

(1) The Secretary of State must accept any request from Great British Energy to have responsibility over the delivery and implementation of the Warm Homes Plan.

(2) If Great British Energy makes a request under subsection (1), the Secretary of State must provide support to Great British Energy following the transference of responsibility.

(3) If Great British Energy becomes responsible for the delivery and implementation of the Warm Homes Plan, that delivery must include an emergency home insulation programme which—

(a) provides targeted support for people on low incomes,

(b) seeks to achieve to the reduction of household energy bills, and

(c) contributes to the achievement of the United Kingdom's climate and environmental targets."

Member's explanatory statement

This amendment requires the Government to transfer responsibility for the Warm Homes Plan to GBE should it be requested and further requires GBE to introduce an emergency home insulation programme that would seek to reduce household energy bills, and contribute to achieving climate and environmental targets.

Earl Russell (LD): I appreciate the Minister's response and what the Government are doing in relation to the warm homes plan. I also appreciate the commitment he has given, in time. My amendment is not prescriptive; it is simply about keeping those conversations open. I think that GB Energy could fundamentally have a role in delivering all or part of the plans, and I wish to test the opinion of the House.

7.22 pm

Division on Amendment 14

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Amendment 14 disagreed.

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7.33 pm

Clause 4: Financial assistance

Amendment 15

Moved by ***Lord Petitgas***

15: Clause 4, page 2, line 37, at end insert—

"(2A) The maximum amount of financial assistance provided by the Secretary of State must not exceed £8.3 billion."

Lord Petitgas (Con): My Lords, in moving Amendment 15 I will also speak to Amendment 16 in my name. I will start with Amendment 16, which seeks to establish baseline investment governance for GBE. Remarkably, the Bill as drafted provides no clear framework for GBE's investment decision-making process, leaving critical questions of accountability unanswered. This amendment is a necessary safeguard for three reasons.

First, it addresses the glaring governance gap that I just spoke about. The Bill delegates ultimate authority to the Secretary of State but offers no clarity on how GBE itself will assess value for money or who, within GBE, will be accountable for such decisions. Without defined governance structures, we risk approving an open-ended cash flow without proper oversight. This is simply not acceptable when billions of taxpayer pounds are at stake.

Secondly, it highlights the need for financial expertise and accountability. At Second Reading the Minister suggested giving GBE free rein to pursue opportunities with an entrepreneurial spirit—I think he mentioned independence today. While I sympathise with this ambition, GBE is neither a venture capital fund with a proven investment committee nor a publicly traded company like Ørsted in Denmark, subject to rigorous market scrutiny. In the absence of such mechanisms, it is imperative that His Majesty's Treasury provides oversight. We need experienced financial professionals—dare I say grown-ups in the room?—to ensure value for money, while balancing financial returns with broader strategic goals.

Thirdly and lastly, Amendment 16 is designed to ensure public trust and confidence. Some may argue that setting governance requirements could stifle innovation. On the contrary, clear accountability and oversight would enhance GBE's credibility and reassure taxpayers that their money is being managed responsibly. Without these safeguards, we risk undermining trust in this ambitious initiative.

This amendment does not constrain GBE's mission; it strengthens it by ensuring robust governance and responsible stewardship of public funds. In summary, we are asking for clarification from the Minister of how GBE's spending will be monitored and how the Government will ensure value for money.

Amendment 15 seeks to establish a cap on the level of funding for GBE. While the Government have allocated £8.3 billion for this initiative, the Bill lacks clarity on whether additional funding may be sought without parliamentary oversight. This amendment is prudent and necessary, again for three reasons.

First, it ensures fiscal discipline and taxpayer protection. GBE's mission is to attract private investment into renewables but, as we have said several times, there is absolutely no shortage of private capital in this sector. Companies such as Iberdrola, SSE and National Grid have already committed billions to clean energy projects, so there is a clear risk that GBE's funds will be directed towards high-risk or less attractive ventures like a magnet. As the noble Lord, Lord Mandelson, once said, when politicians try to pick winners, losers invariably find the politicians. A funding limit would safeguard taxpayers, while allowing GBE to prove its effectiveness and build a track record.

Secondly, Amendment 15 aligns with precedents and market practice. Other government initiatives aimed at crowding in private investment have operated within defined financial limits. Moreover, to me, GBE's structure resembles that of a venture capital fund holding minority stakes in multiple projects. It would be unheard of for such a fund to operate with open-ended financial commitments. That would undermine investor confidence and fiscal accountability.

Thirdly and lastly, a cap signals discipline, not doubt. Some may argue that limiting funding could project a lack of ambition. On the contrary, in an era of fiscal scarcity, such a measure would demonstrate resolve and responsible stewardship of public resources.

It would also encourage efficiency in achieving GBE's objectives while maintaining credibility with Parliament and the public.

This amendment would not hinder GBE's goals. It strengthens them by ensuring accountability and the prudent use of public funds. I am minded to test the opinion of the House on Amendment 15.

Earl Russell (LD): My Lords, I rise from these Benches to speak against Amendment 15 in the name of the noble Lord, Lord Petitgas. His amendment seeks to add a limit on the maximum amount of money that the Secretary of State can provide to GBE —anything above and beyond the £8.3 billion that the Government have committed to. We strongly oppose this amendment. The noble Lord talked about resolve, strength and all these things, but I do not agree with any of that. It is not for the Opposition to use an amendment to legislation to determine what funds a Government can spend on something in the future, when we do not know what is going to happen.

Just this week we have talked about the Drax situation; the Government have halved the subsidies to Drax. The money that the Government are saving from having to subsidise Drax is money that could well go to GB Energy—for example, to fund the long-duration energy storage that we desperately need, so that we can do the transition and keep the lights on. The money should be used for other renewables projects.

It is for the Government to make day-to-day spending decisions and they are accountable for the decisions they make, as GB Energy is accountable to the Treasury and the public for how it spends its money. Ultimately, the Government themselves are responsible to the public, but I do not think it is for the Opposition to put a cap on what Governments can spend. Core spending is a decision for the Government, so this would be a highly unusual amendment and, if it is put to a vote, we will oppose it.

Lord Offord of Garvel (Con): My Lords, I support the amendments in the name of my noble friend Lord Petitgas. In tabling his amendments, my noble friend looks to protect the taxpayer while securing the financial integrity of GB Energy, establishing that GB Energy's attempt to ramp up renewables must not come at the cost of fiscal responsibility and £8.3 billion. The drafting of Clause 4 is far too ambiguous. We must introduce sufficient safeguards by limiting the scope that the financial powers in the Bill afford the Secretary of State. The taxpayer is coughing up a significant £8.3 billion into an investment vehicle that, as my noble friend Lord Petitgas said, has the potential to completely de-risk the profits of multi-million pound energy companies. Meanwhile, the Government have cancelled winter fuel payments, introduced an NI jobs tax and launched a raid on British farmers, all to save money.

The reality is that £8.3 billion is actually a very tricky number. On the one hand, it is a lot of money, a big, significant investment into energy. On the other hand, in the scheme of energy investment required, it is a relatively inconsequential figure, especially when we talk about wind farms being built out to the potential tune of £100 billion. Either way, whether we consider that to be a big or a small number, the taxpayer deserves to know that the Government are deploying public funds appropriately. The Bill contains no limitation on how much financial assistance GB Energy will receive, there is no cap on the money that can be pumped into GB Energy and nor does the funding have to undergo any approval. What is to stop GB Energy becoming a bottomless pit?

Clause 4 states:

"The Secretary of State may provide financial assistance to Great British Energy".

But, again, we are lacking in detail on ways to hold the Secretary of State and GB Energy accountable. We have seen no method to restrict the amount of financial assistance the Secretary of State may provide, nor do we understand how the success of each investment will be measured, or indeed reported on. I trust that the Minister will take these amendments seriously. Our transition to net zero must be done with an eye to fiscal responsibility, ensuring that the energy transition is both sustainable and affordable.

Lord Hunt of Kings Heath (Lab): My Lords, I am grateful to the noble Lord, Lord Petitgas, for returning to a theme he developed in Committee. I assure the noble Lord, Lord Offord, that I take the amendments seriously. But, like the noble Earl, Lord Russell, I do not believe that they are appropriate, because I do not think it right to constrain the arrangements we set out in the Bill in this way. Nor do I think it appropriate for Parliament to take to itself the kinds of controls that the noble Lord is suggesting.

Let me make it clear, first, that in terms of the sum, we are committed to capitalising Great British Energy with £8.3 billion over this Parliament, but we have the flexibility in the future for a current or future Secretary of State to provide further financial support if it were required in this or a future Parliament. There must be flexibility here: one cannot set in stone a figure for all time. We must allow GBE to develop and grow, and we have to learn by experience.

However, the idea that the money being spent by GBE will not be subject to thorough tests and reviews is simply not true. As we have already said, any financial assistance to GBE provided by the Secretary of State will have to be subject to the usual governance and control principles applicable to public sector bodies, such as His Majesty's Treasury's Managing Public Money principles. GBE will be allocated funding through the spending review and will draw down on it when required in the normal way, through the supply estimates process, which is scrutinised, of course, by the other place. As is the case with any government spending, the Secretary of State will be able to finance planned activities only if Parliament votes the necessary financial provision.

7.45 pm

The requirement for Treasury approval is a long-standing convention, being one aspect of the Treasury's power of control in matters of finance and public expenditure. Let me be clear that, in relation to including spending limits in legislation, it is rare for financial or spending limits to be contained in primary legislation, for the reason I mentioned in my introductory remarks.

[Lord Hunt of Kings Heath]
I have asked officials to find me examples of legislation where it happens and there are a handful of Acts with spending limits—but they are limits on individual payments, rather than setting an overall limit on what financial assistance can be given. So, while I accept that the noble Lord is very exercised and has developed his points with eloquence, we think there are sufficient controls in place through the normal Treasury controls over how the Government will react with the body, so I do not believe that the amendments are necessary.

Lord Petitgas (Con): I thank the noble Earl, Lord Russell, for his comment, which I must say did concern me: in a way, he highlighted the fact that it is more likely than not that the amount will be exceeded. I should also thank the Minister. I am glad that he recognised a certain coherence in my arguments over the last few weeks, but I am not totally satisfied that we have the necessary limits on GBE and, with this in mind, I wish to test the opinion of the House on Amendment 15.

7.46 pm

Division on Amendment 15

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Amendment 15 disagreed.

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7.57 pm

Amendments 16 and 17 not moved.

Amendment 18

Moved by ***Lord Alton of Liverpool***

18: Clause 4, page 3, line 5, at end insert—

"(6) Financial assistance under this section must not be provided if there exists credible evidence of modern slavery in the energy supply chain of any company designated Great British Energy."

Lord Alton of Liverpool (CB): My Lords, I thank all who have supported this amendment, both in Committee and tonight. It is an all-party amendment, so I particularly thank the noble Baroness, Lady Kennedy of The Shaws, the noble Lords, Lord Offord of Garvel and Lord Teverson, and the other signatories in Committee, including the right reverend Prelate the Bishop of St Albans and the noble Lord, Lord Blencathra, whom I see in his place. I am also grateful to the Inter-Parliamentary Alliance on China and its chief executive, Luke de Pulford, for its briefing note. I am always grateful to the Minister for the meetings we have had outside of the Chamber; I know that he cares as deeply about this issue, as I do. Whether or not there is a meeting of minds on the amendment this evening, I pay tribute to him for the work that he has done on this.

The Joint Committee on Human Rights is currently conducting a full-scale inquiry into supply chain transparency and modern slavery. We have heard powerful evidence from Rahima Mahmut of the World Uyghur Congress, which I commend to the House. I also urge noble Lords to look at the links not just to Xinjiang and the appalling treatment of Uighur Muslims there but to other parts of the supply chain that would be caught by this amendment. That would include, for instance, children who are sent down mines in the Democratic Republic of the Congo. There are 25,000 of them, and we know that many are linked to Chinese-owned companies. Those children are forced labour too, and this amendment seeks to address that.

The amendment is also informed by the July 2023 report of the Joint Committee on Intelligence and Security, which warned against increased and deepening UK dependence on the CCP regime, and it urged greater national resilience. It said that China had penetrated "every sector" of the UK's economy, underlined by three decades of trade deficits with China, which currently stand at £32 billion. The amendment goes right to the heart of this dependency—which the noble Lord, Lord Blencathra, has regularly raised—exposing a fundamental incompatibility between a rules-based liberal democracy that respects human rights and one that does not. It builds on our obligations under the Human Rights Act 1998, the Modern Slavery Act 2015, the Proceeds of Crime Act 2002 and the 1948 convention on the crime of genocide, along with prohibitions from Victorian legislation, the Foreign Prison-Made Goods Act 1897, which I have mentioned to the Minister before. The amendment is modelled on, and consistent with, earlier all-party amendments, passed by substantial majorities in your Lordships' House, to the Procurement Act 2023, the Health and Care Act 2022 and the Telecommunications (Security) Act 2021, as well as the genocide amendment to the Trade Act 2021.

8 pm

In short order, the amendment seeks to prohibit the Secretary of State from using public money to fund any company designated as Great British Energy where credible evidence exists of modern slavery in any part of its energy supply chain. If your Lordships pass the amendment, it will enable the House of Commons to consider the question further. If incorporated, it would require the Secretary of State to determine a threshold for

"credible evidence of modern slavery",

[Lord Alton of Liverpool]
thereby excluding from procurement any company in the energy supply chain meeting that threshold. Although the Minister insists that the company will be, in his words, "operationally independent", it would be disingenuous —we have heard these arguments around the House today—to suggest that, with £8 billion of public money involved, the Government should be absolved from their usual duties to uphold law enacted by Parliament.

I will give a brief illustration of what I mean. The Government have declined to give any estimate of the number and cost of solar panels which have been purchased from China over the past 10 years, or will be purchased over the next 10 years under the terms of this legislation, or how many will be required to meet to objectives of the Great British Energy Bill. The Government say it is "an absolute priority" to build

"resilient solar supply chains, free from forced labour",

and, of course, I welcome that. But, in the next breath they says they do not

"hold data on the supply chains of individual businesses and therefore cannot provide details of overall expenditure or quantities of Chinese imports of solar panels".

When I asked Government Ministers recently about shipments arriving from Xinjiang at UK airports via a company called European Cargo, I was told the Government make no checks and instead it was a matter for Border Force—but neither did it make any checks.

Last month, I sent the Minister a report by Ignites Asia which identifies funds run by global managers who had at least £1.4 billion linked to 14 solar and EV companies using slave labour in Xinjiang. I am told that we should rely on the Solar Taskforce to determine whether this is happening, but it is not mandated to exclude suppliers or companies credibly linked to forced labour, nor does it have a statutory basis for that purpose.

Last month, the Minister kindly hosted a helpful meeting with Jürgen Maier CBE, the former chief executive of Siemens and now the chairman-designate of Great British Energy, the private/public hybrid company being created by the Government. I asked Mr Maier directly about supply chains and Xinjiang. He told me, "There is law and regulation to which we should comply. We should be held to a very high bar". Notwithstanding good intentions—and I believe him to be sincere—inadequate legislation is not much of a bar. Mr Maier will know his own history: in an earlier generation—in 1944, at the height of World War II —Siemens had a workforce that included 50,000 slave labourers running factories in concentration camps, and it was not alone. Good intentions are not enough. Therefore, I hope that this all-party amendment will address that issue.

Is 2025 Xinjiang so very different? The PRC has placed millions of citizens from the Uighur region into what it calls "surplus labour" and "labour transfer" programmes. In one recent year, more than 3 million people were transferred and conscripted on to work programmes in factories and farms. I will not repeat what I said in Committee and at Second Reading at some length, but I urge noble Lords to go back and look at the record if they want to see the scale and the links that I am referring to.

There are other reasons—not to do with slave labour—that are connected to this amendment. The solar panels of Xinjiang have a higher carbon footprint that those manufactured elsewhere in the world. As we heard in an earlier debate, although China has been increasing the number of products connected with the green energy priorities of the future, it is also building the equivalent of two new coal-burning power stations every week; it is doing so to build its industrial and military might, and certainly not to do its bit towards tackling climate change.

While the Secretary of State agonises and, presumably, beats himself up, he can be sure that Xi Jinping is losing no sleep over targets or the use of slave labour to achieve his objectives. His regime has become the biggest emitter of greenhouse gases in the world: 15 billion tonnes of carbon a year. China uses coal to power heavy industry and to export steel and cars, which we once produced in the UK, in the workshop of the world. British labour will never be able to compete with slave labour or industries that are heavily dependent on cheaper and dirtier energy. The UK should be tooling up, creating British jobs and, with our allies, seeking alternatives to supply chains dependent on Uighur slave labour. Procurement should strengthen national resilience. It should reduce dependency on states which pose a risk to our national security. It should protect British manufacturing from competitors that use slave labour, or grossly exploited labour.

This amendment puts it to Parliament: do we want a slavery-free green transition, or are we content to allow the Government's objectives to be achieved through forced labour in a state accused by the House of Commons of genocide? It should be inconceivable that the UK, which did so much to end the scourge of slavery around the world, would today accept or be willing turn a blind eye to products made by a state with an imposed system of forced labour. Good does not rest on the shoulders of a wrong. I beg to move.

Lord Wigley (PC): I intervene very briefly to support the amendment that the noble Lord, Lord Alton, moved. I thank him for the campaign he has run on this issue for several years now, and for the way he has defended those who are enslaved or used in other countries—China in particular, but in other parts of the world as well. It is right and proper that we bear this in mind when we legislate and when we set up an organisation of the sort we are discussing.

I do not think that any of us, in any party in this House, would want to see us benefiting from the sort of suffering that has happened in other countries. The noble Lord mentioned China, but there are other countries where this happens. It is a consideration that should come into the deliberations we have as we build a new organisation with immense responsibilities and resources at its disposal. Those should not—in any shape or form—be used to support people who are being exploited in the way that they are in some overseas countries. I have no doubt that the Government would agree with that as an approach; the question is how we turn it into practice.

In supporting this amendment, I say that I too have links with Siemens. I am sure that we would not want to paint it with a brush of what happened during

the war. Many other companies that have emerged in the post-war world would not want to have too much exploration of what happened during the Nazi regime. Having said that, I very much hope that there is some way in which the Government can respond to this amendment and that some guidance can be given to Great British Energy to ensure that no advantage is taken of those who are not in a position to defend themselves.

Baroness Bennett of Manor Castle (GP): My Lords, I offer Green support for Amendment 18 in the names of the noble Lord, Lord Alton, and a range of other distinguished Members of your Lordships' House. I will also speak to my Amendment 19, which goes further than the amendment from the noble Lord, Lord Alton, but which demonstrates just how moderate and reasonable his amendment is. Your Lordships' House, the British Government and many parts of British society have long expressed their absolute horror at modern slavery, so surely we can put this into this important Bill, where it is such a crucial issue, as the noble Lord, Lord Alton, identified.

The noble Lord mentioned the Democratic Republic of the Congo and how the issues of modern slavery there, as well as child labour amounting to modern slavery, are very much an issue in terms of the energy supply chain. My amendment refers to

"credible evidence of deforestation or human rights abuses".

I will take human rights abuses first. Much of what is happening in the Democratic Republic of the Congo might not fit the definition of modern slavery, but it absolutely fits the definition of human rights abuses. I note that I was at a briefing today with the DRC Foreign Minister, Thérèse Kayikwamba Wagner, who gave us the news, which has since been more widely reported, that, sadly, the ceasefire that had been called in the eastern Congo had been broken by M23, backed by the Rwandan Government. We have already seen nearly 3,000 people killed and some 3,000 people injured, and we heard from the Foreign Minister that, sadly, they expect those figures to rise very significantly. These are violent human rights abuses—there is simply no other term.

To tie this to the Great British Energy Bill, it is worth noting that the DRC produces 70% of the world's cobalt, yet it somehow disappears without trace and reappears out the other side as legal, apparently appropriately sourced material, without any traceable chain to account for that. Of course, the people of the Democratic Republic of the Congo do not benefit financially from that. It is others—damaging, dangerous, aggressive forces—who benefit from it.

I wrote the amendment in this particular way because it goes back to the passage of what became the Environment Act, during which a number of noble Lords here today had much the same debate, with the tying together of deforestation and human rights abuses. One of the issues here is that indigenous people are responsible for protecting huge amounts of the world's forests, and abuse of their rights is very much tied to the destruction of deforestation. I will note just one stat: if deforestation was a country, it would be the third-largest emitter of carbon behind China and the US. Much of that deforestation is of course linked in particular to agriculture. But in the DRC and parts of Latin America in particular, mining and deforestation are intimately linked.

So, your Lordships' House has before it two amendments. I do not plan to push mine to a vote, but I offer the Green Party's strongest support to the noble Lord, Lord Alton, for his amendment. How could we not vote to ensure that there is action on modern slavery?

Earl Russell (LD): My Lords, I will speak also in favour of Amendment 18 in the name of the noble Lord, Lord Alton of Liverpool, and supported by the noble Baroness, Lady Kennedy of The Shaws, and the noble Lords, Lord Offord and Lord Teverson. I will speak briefly and will not repeat the arguments that I made in Committee.

We believe in people and planet, and we should never have to choose one or the other. The two are intertwined and co-dependent. Our goal of reaching net zero must not come at the expense of supporting repressive regimes that do not support the human rights of their own citizens, or on the back of slave labour.

In brief, we are very supportive of the intentions behind this amendment, but we feel that the ultimate solutions lie above and beyond GB Energy. The real solutions in the UK are about working with our allies and partners to develop our own manufacturing capacity for solar panels in particular, so that we are free of those from China. California has made progress on this; it can be done, particularly working with our European allies. This is really important stuff that the Government need to get to grips with.

We do not want to see GB Energy put at an unfair disadvantage vis-à-vis every other private contractor or engineering company doing solar panels in the UK. The noble Lord, Lord Alton, has already spoken about this, but I know that noble Lords will be very grateful to Jürgen Maier for having come and spoken to us. Unfortunately, I was off at the time, but my understanding is that it was a very good and productive meeting, and that he gave very strong and powerful arguments and responses to questions that were put to him on these issues. GB Energy, as we know, also has lots of stringent reporting requirements in place, including under the Modern Slavery Act.

8.15 pm

We had very much hoped that further progress could have been made between Committee and Report. That, clearly, has not been possible. We will support this amendment if it is put to a vote, to allow more time for conversations to take place. My hope is that those conversations can happen either before Third Reading or when this amendment goes back to the other place. In either case, it is absolutely essential that some solutions are found, so that GB Energy is not put at a disadvantage against other companies. But the real, long-term solutions are about validating supply chains, developing our own solar manufacturing panel capacity, strong and determined diplomacy, and working with our allies to develop new forms of manufacturing processes.

Just briefly on Amendment 19, we are supportive of it, although I understand that the noble Baroness, Lady Bennett, has said she will not call a vote on it.

[Earl Russell]
But on the deforestation point, will the Minister kindly say whether government Amendment 38 would be relevant here?

Lord Teverson (LD): My Lords, very briefly, I was pleased to add my name to this amendment and, like others, I commend the noble Lord, Lord Alton of Liverpool, for his long-time work on this crucial area. On supply chains, those companies involved in fitting solar or anything else in this area should really be concerned about their supply chain in terms of scope 3 emissions, where they have to track their supply chain backwards, so I would hope that was also a method to check means of manufacture as well. I am also very sympathetic to the amendment from the noble Baroness, Lady Bennett.

Lord Offord of Garvel (Con): My Lords, Amendment 18 is a simple yet essential safeguard that ensures that public funds will not support companies tainted by modern slavery in their energy supply chains. The UK has long stood against forced labour and exploitation. If we are serious about a just and ethical transition to clean energy, we must ensure that Great British Energy, a publicly backed entity, operates to the highest moral and legal standards. There is a clear precedent for this approach. The UK's Modern Slavery Act 2015 requires companies to take responsibility for their supply chains, yet we know that modern slavery remains a serious issue in the global energy sector, particularly in the sourcing of solar panels, batteries and raw materials such as lithium and cobalt.

This amendment does not create unnecessary bureaucracy or hinder investment; it simply ensures that taxpayers' money does not fund exploitation. If there is credible evidence of modern slavery in the supply chain, public funding must not flow to that company. It is a basic ethical standard. It is also a matter of economic resilience, because reliance on unethical supply chains creates risk for businesses, investors and the public. Therefore, supporting this amendment strengthens the integrity of Great British Energy. aligns our economic ambition with our moral obligations and sends a clear message that Britain's clean energy future must be built on ethical foundations. I urge all noble Lords to support this amendment.

Lord Hunt of Kings Heath (Lab): My Lords, I am grateful to all noble Lords who spoke in this important debate, and particularly, of course, the noble Lord, Lord Alton. He and I have worked together on a number of these issues, particularly in relation to enforced organ donation in Xinjiang province, and I have always been tremendously grateful for the advice and support he has given.

On this debate in general, I agree with the noble Earl, Lord Russell, that behind it lies more fundamental changes that we need to see, including his point about the development, where we can, of a UK supply chain. He said that he is going to support the noble Lord, Lord Alton; I understand and accept that.

Let me say at once that the Government wholeheartedly agree on the importance of confronting human rights abuses, including modern slavery, in energy supply chains, and we are committed to tackling the issue. I am glad that the meeting with Jürgen Maier was helpful; he is providing some strong leadership in this area. I have had also had discussions with the noble Lord, Lord Alton, between Committee and Report, but we have not quite found a way through as yet.

My understanding is that Great British Energy will already have a range of tools in place to support its efforts to identify and tackle human rights abuses in its supply chain. Indeed, as a state-owned company, it will be expected not only to abide by but to be a first-in-class example of adherence to the UK's existing legislation and guidance. We support voluntary due diligence approaches taken by UK businesses to respect human rights across their operations and supplier relationships, in line with the UN's *Guiding Principles on Business and Human Rights* and the OECD guidelines for multinational enterprises.

The noble Lord, Lord Offord, referred to legislation passed by his Government, which I readily acknowledge. Under Section 54 of the Modern Slavery Act 2015, Great British Energy will be required to prepare a slavery and human trafficking statement for the financial year, in relation to its turnover of £36 million or more, outlining the steps it has taken in the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains nor any part of its business. Once the Procurement Act 2023 comes into force—on which the noble Lord, Lord Alton, and I shared a common endeavour—it can reject bids and terminate contracts with suppliers which are known to use forced labour themselves or anywhere in their supply chain.

We will also use the modern slavery assessment tool known as MSAT to assess the supply base for modern slavery risks. With these tools, I am assured and am confident that Great British Energy will not ignore credible evidence of modern slavery and human rights abuses. I believe that its exemplary adherence to this legislation, which the Government rightfully expect, will not only ensure that the company is doing all in its power to combat modern slavery but also pull up the standards expected of the UK's wider energy industry under the existing legislative landscape. I think the chair of GBE has reinforced that point.

It is our belief that any action that has to be taken must not only be robust but—to take the point of the noble Earl, Lord Russell—take a whole-of-government and society approach. We expect UK businesses, including GBE, to do everything in their power to remove any instances of forced labour from their supply chain. Our guidance and international principles encourage business to remediate or mitigate when instances are uncovered, such as industry collaboration or improved internal purchasing practices. Amendments 18 and 19 would not allow GBE the opportunity for mediation; they would only penalise it.

There is a practical question around how these amendments might work in practice and what their impacts on GBE and its operations would be. They do not define what is meant by "credible evidence", and this could be left open to interpretation. I am not trying to be pedantic here because, clearly, the noble Lord, Lord Alton, suggested in his opening remarks that he wanted to give the Commons the opportunity

to debate this matter. I agree that we should not be too pedantic about the wording of the amendment, but I wanted to mention that as one of the practical consequences of enacting the amendments as they are currently drafted.

Combating human rights abuses, such as modern slavery, across the whole energy industry is a much more effective way to make progress than applying measures on a company-by-company basis, as these amendments would do. We recognise that the landscape has changed since the Modern Slavery Act was introduced; that is why we are committed to improving our response to modern slavery and will set out next steps more broadly in due course.

I should inform the House that we are partnering with an expert institution to provide detailed and relevant information on what modern slavery statements should cover, including practical advice for businesses to go beyond compliance with their legal requirements and actively identify and remedy instances of modern slavery in their supply chains. GBE will follow that, of course.

The noble Lord, Lord Alton, expressed some scepticism about the Solar Taskforce. Having been relaunched by my department, it will focus on identifying and taking forward the actions needed to develop resilient, sustainable and innovative supply chains that are free from forced labour. The aim is to support the significant increases needed in the deployment of solar panels to meet our ambition of seeing a large increase by 2030.

More widely, the Government are taking action to ensure that our clean energy supply chains are resilient as a key priority in the transition to net zero, in both de-risking the delivery of our carbon budgets and maximising the economic benefits from the transition. This will involve domestic action, such as investment in manufacturing, and international action, such as removing trade barriers and collaborating with our allies.

With respect to the speech from the noble Lord, Lord Alton, I know that the House wants to see action from the Government. I can assure noble Lords that my department is working collaboratively across Whitehall on this important issue, including with the Department for Business and Trade and the Home Office, to assess and monitor the effectiveness of the UK's existing measures, alongside the impacts of new policy tools that are emerging to tackle forced labour in global supply chains, including in the energy sector. We are not ignoring the points made by the noble Lord. We take this seriously and, as I said, we are strongly looking at this across Whitehall at the moment.

I turn to the amendment in the name of the noble Baroness, Lady Bennett, to which she spoke so eloquently. Let me be clear: the UK's existing sustainability criteria put limits on the greenhouse gas emissions of the supply chain and already include environmental protections. Where biomass is sourced from forests, the land criteria include requirements around sustainable harvesting and maintaining productivity. This ensures that forests are managed well and in a sustainable manner, as carbon dioxide emissions released during combustion are absorbed continuously by new forest growth. The statement that we made on Monday in relation to biomass reflects how the Government are moving. They might not be moving as fast as the noble Baroness wants, but we are, I think, moving in the direction that she wishes to see.

I remind the noble Baroness, Lady Bennett, that, as a public body, Great British Energy already has a duty to conserve and enhance biodiversity. The noble Earl, Lord Russell, was right to remind me of my own Amendment 38, which we will come on to at some point this evening. I do not want to repeat what I am going to say later, but it is a very important amendment and I hope it will provide considerable reassurance to the House.

Lord Alton of Liverpool (CB): My Lords, I am grateful to the Minister. I have taken my own remarks at something of a gallop this evening, but this has been a very worthwhile debate. It was good to hear from the noble Baroness, Lady Bennett, the noble Earl, Lord Russell, and the noble Lords, Lord Wigley, Lord Teverson and Lord Offord. The fact that there was so much agreement across the House about the scourge of modern-day slavery and the failure, 10 years later, of the 2015 legislation to deal with this problem effectively demonstrates the truth of what has been—

Lord Hunt of Kings Heath (Lab): My Lords, in my remarks, I accepted that life has moved on since 2015. The Government know that we need to look at this further, which is why we are working across Whitehall at the moment. I wanted to assure the noble Lord that we do not ignore the fact that we need to move on from the 2015 legislation.

Lord Alton of Liverpool (CB): I accept that it is not the Minister who is at fault here. However, whether there is the same enthusiasm elsewhere across government is something that we can all speculate on. He will remember that, in Committee, I drew to his attention the report on 26 December 2024 in the *Financial Times* linking 14 companies to events in Xinjiang involving $1.4 billion of exposure.

Lord Hunt of Kings Heath (Lab): I am sorry to challenge again the noble Lord but, seeing my noble friend Lord Collins on the Bench, I assure the noble Lord that I speak for the Government in saying that we are very concerned about this. We are not at all being complacent.

8.30 pm

Lord Alton of Liverpool (CB): I know that the Minister and his noble friend Lord Collins are concerned. The issues are not a problem here, but, as I suggested earlier, they may be elsewhere within government. Maybe we have to concentrate people's minds, as the Minister and I have done previously on other legislation. He referred to the Procurement Act, when we were successful, together with other noble Lords, in concentrating the mind of the Government at that time. That is all I am seeking to do this evening.

The Minister referred to our duties. The Modern Slavery Act and its Section 54 are 10 years old. The author of that legislation was the noble Baroness, Lady May, then Home Secretary and who became Prime Minister. It was, at the time—everybody said it—

[Lord Alton of Liverpool]
landmark legislation. She recognises that the voluntary nature of Section 54, which is a tick-box exercise, does not do the job, but no one has brought forward changes to that. That is why the Joint Committee on Human Rights is currently conducting an inquiry into modern-day slavery and supply chain transparency.

The Minister will know that, on previous occasions, Ministers have said from that Dispatch Box that it cannot be done in this or that Bill at this time and that there will be other legislation and that will be the time to do it. It never is the right time. There never is the right legislation. The issue ultimately is whether we entrench dependency on a country run by a regime like that of the CCP or whether we have resilience in the United Kingdom and create supply chains between democracies that have similar values; otherwise, British taxpayers' money, to the tune of billions of pounds, is going to pour into the coffers of a regime that is inimitably opposed to the values that we espouse. For all those reasons, I would like to test the opinion of the House.

8.32 pm

Division on Amendment 18

Contents 177; Not-Contents 127.

Amendment 18 agreed.

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8.42 pm

Amendments 19 and 20 not moved.

8.43 pm

Consideration on Report adjourned until not before 9.20 pm.

Water (Special Measures) Bill [HL]

Commons Amendments

Welsh legislative consent granted.

8.43 pm

Motion A

Moved by ***Baroness Hayman of Ullock***

That this House do not insist on its disagreement to Commons Amendment 1 on which the Commons have insisted, do not insist on its Amendment 1B to which the Commons have disagreed, and do agree with the Commons in their Amendments 1C and 1D in lieu of the words left out by Commons Amendment 1.

1C: Clause 1, page 4, line 40, at end insert—

"Financial transparency requirements

In the Water Industry Act 1991, after section 35D (inserted by section 1) insert—

"Financial transparency

35E Authority to secure publication of financial overview

(1) The purpose of this section is that members of the public should have easy access to a concise, intelligible and up-to-date overview of the financial position of each relevant undertaker.

(2) A relevant undertaker's "financial position" includes the amount and essential characteristics of the share capital and debt used to fund the operations of the undertaker.

(3) The overview should include significant changes that—

(a) took place in the period of 12 months before the publication of the overview, or

(b) are expected to take place in the period of 12 months following that publication,

provided that the changes have been publicly announced.

(4) The Authority must from time to time decide—

(a) what information should be included in the overview, and

(b) in what format it should be published,

in order to fulfil the purpose set out in subsection (1) (as read with subsection (3)).

(5) The Authority must secure that each relevant undertaker is required to publish at least once every year, in a prominent place on its website, an up-to-date overview that accords with what the Authority has decided under (4).

(6) It must do so by—

(a) exercising its appointment powers, or

(b) issuing rules under this section.

(7) The Authority's "appointment powers" are—

(a) its powers to impose and modify conditions of appointments under this Chapter, and

(b) anything it may do by virtue of such conditions with the result that a relevant undertaker is required to act in a certain way.

(8) Sections 35B(7) to (10), 35C and 35D apply in relation to rules under this section as they apply in relation to rules under section 35B.""

1D: Clause 15, page 21, line 24, at end insert—

"(ab) section (Financial transparency requirements) (financial transparency requirements);"

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Baroness Hayman of Ullock) (Lab): My Lords, in moving Motion A, I will also speak to Motion B. Before I speak to the detail of the changes made in the other place, I start by thanking all noble Lords for their continued interest in this important Bill. I give particular thanks to the noble Lord, Lord Cromwell, who is not in his place today, and the noble Lords, Lord Roborough and Lord Blencathra, for their collaboration with my officials and me over the last few weeks. It has been much appreciated.

I am pleased to say that, following constructive engagement with the noble Lord, Lord Cromwell, the Government have tabled amendments that will ensure the public have access to understandable and readily available water company financial data. While it is true that water companies are already required to report annually on their finances, as I have explained during previous debates, the Government agree that more could be done to improve the accessibility of this information. I also understand that the House feels strongly about this being required through legislation, rather than existing non-legislative processes.

[Baroness Hayman of Ullock]

The amendments tabled will therefore achieve our shared objective of improving the transparency and accessibility of reporting on key financial metrics. They will insert a new Section 35E into the Water Industry Act 1991, which makes clear that water companies should provide an intelligible overview of their financial position at least once a year. The overview should include a summary of significant changes that have taken place over the last 12 months and will cover key aspects of water companies' financial positions, such as share capital and debt levels. In addition, this information must be made available in a prominent place on a water company's website, ensuring accessibility for members of the public. Subsection (4) of new Section 35E also provides Ofwat with the power to determine the information that the water company must publish, as well as the ability to review requirements on financial reporting from time to time. This will ensure that reporting requirements can keep pace with changes in the expectations and needs of bill payers.

Ofwat is also provided with the necessary powers to enforce this new requirement, either through existing water company appointment conditions or through new rules. I would like to be clear, however, that the Government expect this power to be used to ensure that reporting requirements remain relevant, rather than to dilute or diminish the ambition of reporting requirements. Financial reporting will remain underpinned by existing statutory obligations and licence conditions. I am also pleased to confirm that Ofwat's duty to issue rules relating to financial transparency will commence upon Royal Assent, in line with its duty to issue other rules under Clause 1.

I hope all noble Lords across this House will agree with the other place in its amendments to improve public access to, and understanding of, water companies' financial information. Beyond this, I know that many noble Lords have expressed concerns around how water companies report on changes in their ownership structures. On this point, I am pleased to confirm that Ofwat will consult to require companies to present information on ownership structure clearly and prominently as part of its upcoming consultation on regulatory accounting guidelines.

I turn now to the changes made in the other place that will require Ofwat to provide a draft of its rules on remuneration and governance to the Secretary of State at least seven days before they are issued. This change was made in response to the changes made at our last debate by the noble Lord, Lord Blencathra. I emphasise that the Government acknowledge the sentiment of the noble Lord's changes, which were to ensure that there is sufficient oversight of Ofwat's rules. However, as I have previously outlined, we cannot countenance a provision that would both delay Ofwat's rules coming into force and compromise the independence of Ofwat. I emphasise that the Bill already includes a requirement for Ofwat to run a statutory consultation on the rules before finalisation. This will guarantee adequate scrutiny of Ofwat's rules. I also hope noble Lords agree that it would not be appropriate for Ofwat's rules to be confirmed through affirmative statutory instrument.

On this basis, I hope that noble Lords agree with the other place in its amendment to require Ofwat to provide the rules to the Secretary of State. Again, I thank the noble Lords, Lord Blencathra and Lord Roborough, for working with me constructively to reach an agreed position on how we can ensure proper scrutiny of the rules. I beg to move.

Lord Roborough (Con): My Lords, I begin by thanking the Minister for her constructive engagement with the Official Opposition during the progress of this Bill.

We are delighted that the Government have listened to the clear view of the House that more transparent financial disclosure of the state of water companies' balance sheets and their capital structuring plans is urgently needed. The Government's amendment delivers much of what the noble Lord, Lord Cromwell, who is not in his place, asked for, which we supported him in insisting on. We join other Members of the House in congratulating the noble Lord on securing this meaningful improvement to the Bill.

While the Government's Amendment 2 does not deliver the same level of oversight of Ofwat's rule-making power that our own amendments would have delivered, I am pleased that they have now tabled a substantive amendment in the other place. We accept this change to the Bill.

We disagree that our amendments requiring a statutory instrument would have led to material delay in the delivery of the Ofwat rules. However, we accept that our amendment was not conducive to a fully independent regulator. Given Ofwat's clear failures over decades, it is no surprise that this House has supported our amendments on two previous occasions. We on these Benches question the merit of the regulator continuing to have its independence from government treated as sacrosanct. This Government's intervention to encourage regulators to prioritise growth already demonstrates that this independence is illusory. We look forward to reading the findings of Sir Jon Cunliffe's review on this matter in due course.

Even though it does not go as far as we wanted, we welcome the Government's amendment, which will give the Secretary of State a seven-day opportunity to review the draft rules and, presumably, voice any concerns to the regulator prior to their publication. We welcome this additional accountability of the regulator to the Executive, who are, in turn, accountable to Parliament.

I note that, in the other place, members of the party sitting on the Benches to my left appeared to speak in favour of my amendment, and the amendment retabled by my noble friend Lord Blencathra. Had they seen the merits of the amendment earlier and not abstained twice in your Lordships' House, we may have been able to achieve even more on the accountability of the regulator.

In conclusion, I thank all Members of the House for their engagement throughout the passage of the Bill. In particular, I thank the noble Lord, Lord Cromwell, my noble friend Lord Blencathra, the Minister's Bill team and the Opposition Whips' Office research team. We respect the fact that the Water (Special Measures) Bill was a manifesto commitment, and we are pleased

that it will leave this House in a better state than when it arrived. We hope that it will continue to help the cleaning up of our rivers, lakes and beaches—the most important goal of the Bill. We await the publication of Sir Jon Cunliffe's review and intend to continue to push His Majesty's Government to do more, without increasing the burden on water consumers.

Baroness Hayman of Ullock (Lab): My Lords, I thank the noble Lord, Lord Roborough, for his support and his kind words as to how we have reached this position. I agree with him that the Bill leaves this House, as most Bills do, in a better shape than when it arrived.

I hope that all noble Lords agree with the other place in its amendments brought forward today, which will strengthen water company reporting requirements while ensuring that Ofwat's rules are brought forward without delay. These are important changes, which have further strengthened the Bill. I am grateful for the collaboration that took place with noble Lords across the House to arrive at this point.

I also hope that the amendments brought forward by the Government provide reassurance to all noble Lords that, where there has been strong feeling across the House on certain matters, the Government have not only listened but taken meaningful action. On this basis, I hope that all noble Lords can support Commons Amendments 1C, 1D and 2B. I once again thank all noble Lords for their time and interest in this important Bill.

Motion A agreed.

Motion B

Moved by ***Baroness Hayman of Ullock***

That this House do not insist on its disagreement to Commons Amendment 2 on which the Commons have insisted, and do agree with the Commons in their Amendment 2B in lieu of the words so left out.

2B: Clause 1, page 4, line 32, at end insert—

"(5) The first rules under section 35B of the Water Industry Act 1991 (inserted by subsection (3)) may not be issued unless—

(1) the rules have been provided in draft to the Secretary of State, and

(2) the period of 7 days beginning with the day on which the draft was provided has elapsed."

Baroness Hayman of Ullock (Lab): My Lords, I have already spoken to Motion B. I beg to move.

Motion B agreed.

8.55 pm

Sitting suspended.

Great British Energy Bill

Report (Continued)

9.20 pm

Clause 5: Strategic priorities and plans

Amendment 21

Moved by ***Lord Hunt of Kings Heath***

21: Clause 5, page 3, line 8, at end insert—

"(1A) The Secretary of State must comply with subsection (1) within the period of six months beginning with the day on which this Act comes into force."

Member's explanatory statement

This amendment requires the Secretary of State to prepare a statement of strategic priorities for Great British Energy within the period of six months beginning with the day on which this Act comes into force.

The Minister of State, Department for Energy Security and Net Zero (Lord Hunt of Kings Heath) (Lab): My Lords, in moving Amendment 21, I acknowledge and thank the noble Earl, Lord Russell, for putting his name to it. It requires the Secretary of State to prepare a statement of strategic priorities within a period of six months from the day on which the Act comes into force.

As noble Lords will know, we had extensive discussion about the statement of strategic priorities in Committee, and I am glad to say that we have had a lot of constructive discussion between Committee and Report. In recognition of the concerns raised on the length of time that Great British Energy could be operating without a set of strategic priorities, I am glad to bring forward this amendment, which clarifies the length of time in which the first statement of strategic priorities should be prepared.

In addition to this amendment, I make a commitment at the Dispatch Box that the Government will publish a Written Ministerial Statement when the first statement of strategic priorities is published, so that this House and the other place will be informed. I hope that noble Lords will support this amendment. I beg to move.

Lord Vaux of Harrowden (CB): My Lords, briefly, I thank the Minister for tabling Amendment 21. It is identical to an amendment I tabled in Committee, and introduces a time limit of six months for the publication of the statement of strategic priorities. Given the importance of that statement, as we have had many discussions around, and that it is the only place where the aims for GBE will be set out, it is clearly essential that the publication should not be delayed. I am very grateful to the Minister for accepting the principle.

I was going to ask the Minister whether the statement will be accompanied by an impact statement or assessment, or whether the business cases and spending reviews will be published. He pre-empted that on the first group, and I am grateful for his positive answers to those questions.

Earl Russell (LD): My Lords, I thank the Minister and his Bill team for listening and constructively engaging with the many discussions that we have had on the issue of Great British Energy's statement of strategic priorities and for bringing forward this helpful amendment.

I will be brief, as we have had a lot of discussion on this, particularly in Committee. Our position is that we support the intentions of the Bill and recognise that the Government are acting at speed to establish Great British Energy. However, we have always said that the Bill is too short for its own good. We recognise the difficult position that the Minister finds himself in. It is for Great British Energy, as an independent organisation, to write its own strategic priorities, as

[Earl Russell]
long as they are consistent with the objects set out in Clause 3. Great British Energy obviously needs to be established in order to write the strategic priorities, and discussions are required with the devolved Administrations.

Against these needs, we as parliamentarians were being asked to approve the Bill with no sight of the strategic priorities prior to the Bill being passed, or even after it is passed and the strategic priorities have been finalised. This was an issue that the Constitution Committee rightly highlighted as an area of concern. To us, it felt a little like we were being asked to sign a blank check, and your Lordships were rightly nervous about the implicit ask in the Bill as it was drafted.

From these Benches, we have consistently argued for progress on these matters and for the reaching of constructive compromise. Compromise needs to rightly balance the actions and operational independence of Great British Energy and, at the same time, the justified right of parliamentary scrutiny and oversight of the strategic priorities. Is this amendment absolutely perfect? No. Does it do a good and worthwhile job of balancing these competing needs and moving the issue forward? Yes, it very much does. I welcome the words the Minister has spoken from the Dispatch Box about a Written Ministerial Statement. This is an essential compromise, and I thank the Minister for this good progress.

Lord Offord of Garvel (Con): My Lords, I will speak in support of the amendment in my name and that in the name of my noble friend Lord Trenchard. They represent an important step in ensuring that the development and operation of Great British Energy are aligned with the national interests and strategic needs of our energy sector.

Amendment 21, put forward by the Minister, ensures that the Secretary of State must prepare the statement of strategic priorities for GBE within six months of the passing of the Bill. This timely approach is crucial, as it establishes an early foundation for the strategic direction of Great British Energy, permitting the organisation to operate with clarity and purpose from the outset.

The inclusion of Amendment 26 in my name is equally important. It requires that the statement of strategic priorities must specifically address the development of supply chains in the United Kingdom. This is vital to ensure that the Great British Energy objectives are not only met but integrated into the broader goal of strengthening domestic industries and fostering economic resilience within our own borders. The definition of supply chains in this amendment reinforces the need for a comprehensive and interconnected approach to the creation and sale of commodities relating to Great British Energy's work.

Finally, Amendment 33, proposed by my noble friend Lord Trenchard, brings an added layer of scrutiny and collaboration by mandating consultation with Great British Nuclear and the National Wealth Fund before the publication of the statement of strategic priorities. This amendment will ensure that Great British Energy's strategies are developed in consultation with relevant stakeholders, thereby promoting a more cohesive and informed approach to energy policy.

These amendments collectively reflect our commitment to a strong, secure and sustainable energy future. I support them, and I encourage the Minister to do the same.

Viscount Hanworth (Lab): My Lords, I wish to speak to Amendment 33, which is somewhat misplaced in this group. I have been asked by the noble Viscount, Lord Trenchard—

Lord Hunt of Kings Heath (Lab): My Lords, the noble Viscount, Lord Trenchard, is not here to move Amendment 33.

Viscount Hanworth (Lab): I have been asked to speak on his behalf. Is that liable? That was his request.

Lord Cryer (Lab): Yes.

Viscount Hanworth (Lab): I will be brief.

The noble Viscount declares an interest as a member of the advisory board of Penultimate Power. In speaking to his amendment, I will rely on text that he has provided. He is concerned that Great British Energy might be devoted to the pursuit of the immediate agenda of NESO—the National Energy System Operator—to the detriment of the nuclear agenda, which has a longer time scale. The recent NESO documents have concentrated on wind and solar power, alongside the capture and storage of carbon dioxide emitted by standby stations, but they barely mention nuclear power.

The noble Viscount, Lord Trenchard, acknowledges that the Minister declared that it would be within the competence of Great British Energy to invest in nuclear power and to do the other things in relation to nuclear. Here I must use the own words of the noble Viscount, Lord Trenchard:

> "I'm afraid that on reflection I don't think that was clear enough. The Minister's mention of GBN suggests that its continuation restricts the scope of GBE in relation to nuclear".

He goes on to say:

> "The Minister seemed to be saying that GBE could always invest in a nuclear power project; but that this should fall primarily within the scope of GBN. The Energy Act 2023 specifies that GBN's objectives are to facilitate nuclear energy projects. However, it is silent on the provision of financial assistance for such projects".

9.30 pm

The noble Viscount, Lord Trenchard, observes that, whereas Clause 4 of the Bill enables the Secretary of State to provide financial assistance to clean energy projects—which has been quantified at £8.3 billion over the course of this Parliament—there is no indication of the share that might be devoted to nuclear power. However, nuclear must form the backbone of our energy system and, in order to develop the supply chain and to assemble the skilled workforce, we need to get started now.

According to this opinion, the parallel existence of GBN and GBE confuses the issue, which makes it necessary that the GBE Bill should specify that clean energy indicates nuclear. That has already been the burden of Amendment 10. The noble Viscount, Lord Trenchard, asks the Minister to clarify the role of the Infrastructure Bank, which was established by the Act of 2023 and

which has become the National Wealth Fund. He is concerned that its objectives should include support for nuclear.

Finally, the noble Viscount, Lord Trenchard, makes a revealing observation that 18.3% of our energy supply on the 8 February was imported from abroad and that it contained a substantial amount of power generated by French nuclear power stations. This dwarfed the contribution of wind, at 7.6%, and of our own nuclear fleet, which amounted to 10.2% of the total. I thank noble Lords for their indulgence in allowing me to speak on his behalf.

Lord Cryer (Lab): I apologise for intervening. For future reference, moving an amendment on behalf of another Member is permissible, but reading a speech out on behalf of another Member is not, according to the guide.

Lord Howell of Guildford (Con): My Lords, as the noble Viscount, Lord Hanworth, pointed out, it is a bit odd if we think about it. Since we started on this Bill, the Prime Minister has been making some very lively speeches, but going in a different direction. According to the newspapers, he wants to power the energy-hungry data centres needed for artificial intelligence. We all know about those: they are being built and they cannot get enough juice. He expects this own party to back small nuclear reactors in their constituencies. The headline is, "Starmer to Push Past Nimbys and Build Many New Nuclear Plants". This is all extremely welcome to me. It is the sort of tone we have to adopt 10 times over to meet the challenges and the vast amount of clean electricity that we need. So it is strange that we are here in the meanwhile pursuing an area where nuclear is "verboten", to use a German term. The noble Viscount, Lord Hanworth, has got a point. I would like a comment from the Minister on whether we are still on the right track or whether we should scrap the whole thing and start with a different policy of him backing the Prime Minister.

Lord Hunt of Kings Heath (Lab): My Lords, in answer to the noble Lord, Lord Howell, who speaks with such authority on energy matters, I have to say that is my view that we are on the right track. I do not see any inconsistency in government policies and actions and I thank noble Lords for their support for my Amendment 21.

Turning to Amendment 26, tabled by the noble Lord, Lord Offord, let me make this clear: the founding statement outlined that supply chains would be a key focus in the work of Great British Energy. It says:

"The sustainability of UK supply chains plays a key role in achieving greater energy security. Great British Energy will help to drive forward greater investment in clean, home-grown energy production and build supply chains in every corner of the UK. Great British Energy will work with industry to accelerate the deployment of key energy projects and support the transition to an affordable, decarbonised power system by 2030 built using domestic manufacturing and supply chains".

That is an important statement of principle.

I can also reiterate that GBE will help drive the growth of supply chains in the industry by working with my department, the Crown Estate, the National Wealth Fund and other parts of the public sector to deliver a comprehensive package of support for domestic clean energy supply chains in everything from offshore wind to carbon capture and storage.

I turn to the amendment tabled by the noble Viscount, Lord Trenchard, and spoken to so eloquently by my noble friend. On the point about NESO, it was asked to report to the department on what we needed to do to get to clean power by 2030, so it is no accident that its focus would be on renewable energy. But in fact it did not ignore nuclear. In the *Clean Power Action Plan* which followed from the NESO report, there is an extensive section on nuclear power. On page 80 it says:

"Nuclear will play a key role in achieving Clean Power 2030 … and our long-term net zero objectives".

Since then, we have published the new policy statement for consultation, which, as we debated earlier, essentially brings in a more flexible siting policy for the future. The Secretary of State has indicated the importance of nuclear energy in providing an essential baseload.

I say to the noble Lord, Lord Howell, that I do not see any conflict. We think it is very important to get Sizewell C over the line, and obviously we are now into SR discussions about the final investment decisions, and we see great potential in relation to small modular reactors. Of course, we are very interested in the developments we have seen in the US of the links between the big tech companies and the developers of advanced nuclear technology. Clearly, I am working with colleagues across government to make sure that the UK can take the potential of this as well. So, I want to assure the House that we see nuclear energy as having a very important role to play in the future.

Lord Howell of Guildford (Con): The Minister has been very clear, but at the moment it just still does not add up. At the moment about 6% of our electricity comes from nuclear—that is what it has shrunk to. We have four and a half years until 2030. Nothing nuclear is being built except Sizewell C, where they are clearing the ground and have already spent £10 billion—miles above what they originally estimated—and apparently the word is going around that it will be ready in the mid-2030s. I suspect that it will be more like 2040. If the private investor is not attracted by it, whereas they are attracted by these SMRs, is there an agenda we have not quite heard about and the SMRs are going to be rushed forward, starting next summer? As in other countries, will they be built in series on the endless sites that are now becoming available—the old Magnox sites, maybe some of the new sites? All sorts of areas are possible and are so far acceptable to the public, although there is a lot of explaining to do. Is that the plan and, if so, can we hear it?

Lord Hunt of Kings Heath (Lab): My Lords, the contribution of nuclear was more than 6%—I think it is about 13% or 14% as of today. Clearly, it will go down, because a number of the current nuclear power stations are due to go offline. However, I must pay tribute to EDF for going through the proper consent process. There have been extensions to a number of existing nuclear power stations and, in a statement it issued I think about three or four weeks ago, it made it clear that it saw further potential for extensions, subject to the regulatory provisions being required.

[Lord Hunt of Kings Heath]

On Hinkley Point C, the company says that it expects the first unit to go online between 2029 and 2031. With two units, that will be 3.2 gigawatts. Sizewell C will follow. It is a replica of Hinkley Point C: 80% above ground, another 3.2 gigawatts. With the SMR programme, Great British Nuclear is going through a technological appraisal; it is in negotiation with the companies, and this is all subject to the spending review. Clearly, we want to see a long-term projection of new nuclear power stations opening, giving us energy security but also developing a much stronger UK supply chain. Although we will see a dip in the contribution that nuclear power provides, in time, it will start to go up again. I do not think there is a conflict; I think it is just a recognition of what has happened. It is worth making the point to the party opposite that there has been a lot of messing around in terms of decision-making on Hinkley Point C. There was disappointment at what happened at Wylfa. We are now getting this back on track.

Amendment 21 agreed.

Amendment 22 not moved.

Amendment 23

Moved by ***Lord Offord of Garvel***

23: Clause 5, page 3, line 8, at end insert—

"(1A) The statement of strategic priorities under subsection (1) must include the reduction of household energy bills by £300 in real terms by 1 January 2030."

Member's explanatory statement

This ensures that the statement of strategic priorities includes the reduction of household energy bills by £300 by 1 January 2030.

Lord Offord of Garvel (Con): My Lords, I shall speak to Amendments 23 and 24 in my name. These amendments would require the statement of strategic priorities to include the reduction of household energy bills by £300 per household by 2030 and the creation of 650,000 jobs in the UK by 2030. As noble Lords will recall from our debates in Committee, throughout the election campaign, the Government repeatedly promised that GB Energy would cut household energy bills by an average of £300 per household. In fact, a similar claim was made by at least 50 MPs, and the Science Secretary said:

"I can tell you directly … by the end of this Parliament that … energy bills will fall by up to £300".

On 19 June last year, the Chancellor said:

"GB Energy, a publicly owned company, will cut energy bills by up to £300".

Finally, in an interview in June, the Secretary of State claimed that Great British Energy would lead to a "mind-blowing" reduction in bills by 2030. Considering that the Government had no qualms about repeating this promise time and again and appeared proud to do so, it is strange that they do not commit to this promise by including it in the drafting of this legislation.

That was not the only promise made by the Government. They also said that GB Energy would create 650,000 new jobs. Despite this, in the other place, the Government voted against Conservative amendments to make cutting energy bills by £300 and creating 650,000 new jobs a strategic priority for GB Energy. In so doing, they were voting against amendments that would hold them to their word.

Only last week, in a rather unconvincing interview on Sky News, the chair of GB Energy admitted that the Government's pledge that GB Energy would create 1,000 jobs at its headquarters could take 20 years to deliver. In the same interview, he repeatedly refused to say when household bills would be cut, although the Prime Minister promised that GB Energy would save consumers £300 each. These promises are important to the British people, and the Government have already put at risk 200,000 existing jobs in North Sea oil and gas. They impact on people's energy bills, their business and their jobs.

It is essential that the Government are held to account. We know there is a transition; we know that those 200,000 jobs can transition to the direction of travel in renewables and nuclear, but by accelerating unilaterally, there is going to be a gap, and the problem is that we are going to lose skills in the middle.

With that said, I look to the Minister to confirm exactly by how much consumers can expect their energy bills to fall—by £300, or pick another number. Will he give a commitment that GB Energy will reduce household energy bills, and how many jobs exactly will GB Energy create in the UK by 2030? I look forward to receiving a clear and positive reply, and I intend to test the opinion of the House on these matters.

9.45 pm

Lord Teverson (LD): My Lords, it seems to me that this is not the sort of thing that ought to be in this Bill. I do not remember Conservative Party immigration legislation ever mentioning numbers, despite everything that was said by it. That brings complete disrepute to legislation and Governments at the time; I do not think that we should be attracted into that situation with this Bill.

Lord Hamilton of Epsom (Con): My Lords, it is clearly the Government who have come up with this number: that they are going to reduce energy bills by £300 per household. I say to the noble Lord, Lord Teverson, that it is nothing to do with the Opposition. This issue is very important. This is a commitment that has been made by the Government. We should have it in legislation to make sure that it is delivered on; if we do not, it will indicate that the Government are not serious about this matter. It matters very much to people in this country that we reduce their energy bills. Many of us think that it is not going to happen. On the other hand, the Government have constantly assured us that it is going to happen and that, somehow, energy bills are going to come down. I think that many people in this country are looking forward to that, because we want to see a dividend for all this greenery. We have heard already from the noble Lord on the Liberal Democrat Benches that this is the effect of green energy: it brings down your electricity bills. Well, as far as most people in this country are concerned, so far, we have just seen our energy bills go up and not down. I think there is a lot of cynicism around that green energy does not deliver lower prices.

Lord Hunt of Kings Heath (Lab): My Lords, would the noble Lord like to comment on the energy bills when his Government were in office?

Lord Hamilton of Epsom (Con): The British people made a decision on the previous Conservative Government. They did not think much of our record and thought even less of our manifesto, so they made it quite clear that they do not want to know anything about the previous Conservative Government. What we are now interested in is what the manifesto of the Labour Government, who are now in power, said. What happened to us is irrelevant because we have been virtually wiped out.

Lord Hunt of Kings Heath (Lab): With the greatest respect, if the noble Lord starts to preach to this Government about energy prices, it is right for me to point out that the highest energy prices occurred under his Government's stewardship.

Lord Hamilton of Epsom (Con): That may well be so; it was probably as a result of our pursuing these green policies, which has led to higher prices and which some of us think was probably rather mistaken. We are now in a position where we continue to pursue a green agenda.

Earl Russell (LD): My Lords, the prices were the highest prices we had because the previous Tory Government failed to do anything about our dependence on foreign gas. When the war in Ukraine happened, gas prices spiked and the noble Lord's Government ended up spending £40 billion on subsidising bill payers across domestic and businesses. That money was spent for absolutely nothing—no long-term benefit at all.

Lord Petitgas (Con): It seems to me that, earlier, the noble Lord, Lord Teverson, answered a question that was not the exam question. I do not understand why he brought immigration numbers into the equation, and I do not understand why—

Lord Cryer (Lab): Order! We cannot have an exchange like this.

Lord Hamilton of Epsom (Con): I thank my noble friend for answering the question for me.

Lord Petitgas (Con): It was a different exam question.

Lord Hamilton of Epsom (Con): I just do not know where we think we are going on this. Surely the only thing that matters is the commitments that this Government have made. They have now been in power for six months, and the commitments that they make are the things that matter. What the previous Government did has been rejected by the electorate, and we must now to look at things again. I do not think that we should be held by anything that happened in previous Governments, because the electorate made it quite clear that they did not want to have anything to do with it.

What matters now is the commitments made by the Labour Government. If they think that they are going to reduce our energy bills by £300 in real terms, that should go down in legislation as a commitment from them. It is a figure that they have come up with; we did not dream of it. It was even in the Labour manifesto at the election, was it not? Therefore, we should see this commitment put down in statute so that something is done to keep to it.

I cannot quite understand the attitude of the Liberal Democrats, because they are keener than anybody on ensuring that we do not produce our own oil and gas from the North Sea. The Labour Government have cancelled the exploration licences for there, which means that we will be dependent on foreign supplies whatever happens. How the noble Earl can say that is a terrible problem when he supports not developing our own resources in the North Sea I cannot imagine.

This amendment is certainly something that we should vote for. The Government should be more than happy to be pinned down on this commitment, since they have made it quite clear that they believe in it. If they believe in it, why do they do not put it down in the Bill?

Lord Rooker (Lab): Can I press the noble Lord before he sits down? How is this amendment consistent with the conventions of the UK Parliament? It seems to me that it is not, and I would like an explanation, please.

Lord Hamilton of Epsom (Con): The noble Lord probably knows more about the consistency of the UK Parliament than I do, but this seems to me to be infinitely sensible. I did not ask the Labour Government to commit themselves to lowering energy bills by £300, but they have done so. Therefore, they should be happy to see it in the Bill. I do not what the problem is, really.

Lord Teverson (LD): On a point of personal clarification, I mentioned it because there was an undertaking, made publicly, that net immigration would come down to 10,000.

Lord Cryer (Lab): Order! We are not discussing an immigration Bill. We are discussing an energy Bill, so could we stick to order and stick to the scope of the amendment?

Earl Russell (LD): My Lords, I shall speak against Amendments 23 and 24. If the Conservative Benches had put forward something saying that Labour should be held to account for the promises that they have made, then yes, they should. Should those promises be enacted in this overpoliticised amendment? No, because that is not the way that we do things.

This is a very politicised amendment. It does nothing to help bill payers, nothing to make Great British Energy any better at delivering for bill payers and nothing to reduce costs for bill payers. Amendments 23 and 24 are amendments for leaflets and nothing more. They are pointless, petty grandstanding.

Baroness Williams of Trafford (Con): What? Leaflets?

Earl Russell (LD): Yes, they can write a quick leaflet saying that they held the Government to account, when actually they achieved nothing other than tabling an amendment. The last Tory Government had a de facto ban on onshore wind, did little to develop renewable technologies, left us dependent on Russian gas and ended up spending £40 billion subsidising bill payers to import foreign gas, for little or no long-term benefit. The previous Government gave up on delivering on nearly all energy-efficient measures and left UK citizens in cold and damp homes. We believe that, if done well, GB Energy will provide energy security, reduce energy bills, create green jobs and kick-start economic growth. Many of these arguments also apply to Amendment 24.

Without wasting time, our response is much the same as to the previous amendment. Frankly, we feel that holding the Government to account by enacting something in a Bill is pretty delusional. It would be far better to do that outside of the Chamber.

Lord Hunt of Kings Heath (Lab): My Lords, I resist these two amendments. My noble friend Lord Rooker, who knows more about parliamentary procedure than almost anyone in either House, is absolutely right about the inappropriateness of these kinds of amendments. I do not want to carry on this enjoyable debate with the noble Lord, Lord Hamilton, but I think it takes the biscuit in view his Government's record. Also, as the noble Lord, Lord Teverson, said, I do not recall the last Government ever agreeing to change legislation in the way that has been suggested.

I want to allow the noble Lord, Lord Offord, to call a vote tonight, as I am sure he is very anxious to do, but the fact is that the only way to guarantee energy security and protect bill payers is to speed up the transition to homegrown energy; that is what we were elected on, that is the basis of this Bill and we are receiving huge support for doing so. Surely, the experience in the last few months and years of the kind of gas price shocks that we have seen, which have helped to drive increases and led to the introduction of the price cap, tells us that we have to get out of our dependence on fossil fuels and rely on homegrown energy.

As far as bills are concerned, the independent National Energy System Operator has confirmed that our 2030 clean power goal is achievable and can create a cheaper, more secure energy system. The Climate Change Committee confirms that a clean energy future is the best way to make British energy independent and protect bill payers, create good jobs and tackle the climate crisis.

As far as the question of employment is concerned, our expectation across this Parliament, in the early stages of the company, is that Great British Energy will employ 200 to 300 people at its Aberdeen headquarters. But, more substantially, through its activities and investments, GBE will also create and support thousands of jobs across the country. This is what we should focus on. I hope that, as the noble Lord, Lord Offord, puts this to the vote, the House will reject it.

Lord Brownlow of Shurlock Row (Con): Before the Minister sits down, can he help me? I have been here since just after the debate started and the Minister has made some incredibly positive contributions today and has transitioned well from health to his current brief, but I am surprised that, in his answer to this particular amendment, he has not mentioned the £300. We have had a variety of quotes from various Labour politicians in the election campaign who mentioned £300, which is a specific point in the amendment. Will the Minister comment on when he thinks this Government will reduce energy prices, and will it be by up to £300?

Lord Hunt of Kings Heath (Lab): I am very grateful to the noble Lord for his kind intervention. I actually did this job from 2008 to 2010, so I have some experience in this area. I am not going to answer the question in the way that he has asked me to. I am confident that the policies we are putting in place will lead to homegrown, secure energy and that, as a result, we will see a reduction in real terms in prices over the years ahead.

Lord Brownlow of Shurlock Row (Con): My Lords, may I just come back and apologise, as I did not know—

Baroness Hayman (CB): My Lords, we are on Report. Reference was made earlier to the conventions of the House. It seems to me that the debate is getting very diffuse and not within the advice in the *Companion* about behaviour on Report.

Lord Rooker (Lab): We should give the Chair more powers.

Baroness Hayman (CB): Yes.

Lord Offord of Garvel (Con): My Lords, I remind you all of what the Prime Minister said:

"I stand by everything in our manifesto and one of the things I made clear in the election campaign is I wouldn't make a single promise or commitment that I didn't think we could deliver in government".

The number of £300 is not our number. The number comes from the Labour manifesto and a commitment to the British people.

The great British people think that GB Energy is a new electricity company that is going to deliver them cheaper energy; what we have discovered is that it is actually an investment plan employing 200 people in Aberdeen. It is a big delta: 650,000 jobs compared to 200 jobs rising to 1,000. These are not our numbers; these are the Government's numbers. All these amendments are trying to do is hold the Government to account on commitments made in the election campaign, and I wish to test the opinion of the House.

9.59 pm

Division on Amendment 23

Contents 121; Not-Contents 131.

Amendment 23 disagreed.

Division No. 4

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10.09 pm

Amendment 24

Moved by ***Lord Offord of Garvel***

24: Clause 5, page 3, line 8, at end insert—

"(1A) The statement of strategic priorities under subsection (1) must include the creation of 650,000 new jobs in the United Kingdom by 1 January 2030 resulting directly or indirectly from Great British Energy's pursuit of its objects under section 3."

Member's explanatory statement

This ensures that the statement of strategic priorities includes the creation of 650,000 new jobs in the UK by 1 January 2030.

Lord Offord of Garvel (Con): My Lords, I beg to move.

10.09 pm

Division on Amendment 24

Contents 119; Not-Contents 130.

Amendment 24 disagreed.

Division No. 5

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10.20 pm

Amendments 25 and 26 not moved.

Amendment 27

Moved by ***Lord Hunt of Kings Heath***

27: Clause 5, page 3, line 12, leave out "consult the Scottish Ministers before including" and insert "not, without the consent of the Scottish Ministers, include"

Member's explanatory statement

This amendment, and my amendment at page 3, line 13, provide that the Secretary of State must not, without the consent of the Scottish Ministers, include in a statement of strategic priorities anything which concerns a matter provision about which would be within the legislative competence of the Scottish Parliament.

Lord Hunt of Kings Heath (Lab): My Lords, in moving Amendment 27 I will speak also to government Amendments 28 to 32 and 34. They relate to Clause 5 and the role for the devolved Governments in developing the Secretary of State's strategic priorities for Great British Energy.

Clause 5 currently requires the Secretary of State to consult respective devolved Governments before including any references to matters within devolved competence in a statement of strategic priorities. Throughout the passage of the Bill, and through positive discussions with devolved Government Ministers, the case has been made to me and my ministerial colleagues that this requirement to consult should be changed to a requirement to obtain the consent of the devolved Governments.

Clearly, it is fundamental to the success of Great British Energy that it can operate across the UK. These amendments, to require the consent of the devolved Governments in relation to matters within devolved competence in a statement of strategic priorities, demonstrate our commitment to close collaboration and a resetting of relationships with the devolved Governments.

As I have previously set out to your Lordships' House, Clause 5 is not a power to legislate in respect of devolved matters but rather enables the Secretary of State to provide Great British Energy with guidance on where the company should focus its activities. It is clear that we need to work together across the UK to achieve net-zero ambitions and drive economic growth. Given this, and the strength of feeling on this issue in the devolved nations, we have agreed with the devolved Governments to bring forward these government amendments.

I want to state for the record, on the related matter of Clause 6 and the process for issuing directions, our view that, where a direction relates to a matter that is within the legislative competence of one or more of the devolved legislatures, the relevant devolved Government would be considered an appropriate person under Clause 6(3)(b) and would therefore be consulted before a direction was issued by the Secretary of State.

I am pleased to share with the House that Motions for legislative consent for the Great British Energy Bill have been passed by the Senedd, the Scottish Parliament and, this morning, the Northern Ireland Assembly. This is good progress, and I hope noble Lords will agree to support these amendments. I beg to move.

Lord Wigley (PC): My Lords, I welcome the progress that has been made on these issues. There will be times when there may be differences of opinion, but on devolved matters it is right that the devolved authorities should have the proper say. I welcome the change being proposed by the Government.

Lord Offord of Garvel (Con): My Lords, I thank the Minister for tabling these amendments on devolution, which I welcome. They follow concerns that we raised in Committee. I emphasise that it is important that consultations on devolution are published. Amendment 27 proposes a significant change to the current wording of Clause 5, and we agree that we need to move away from "consult" to "consent".

The key tenet here is the Sewel convention, which we know well in this House. It is not a trivial matter of semantics; it reflects the principle that the devolved Administrations must have a genuine say in matters that affect their legislative domain. At the end of the day, the Scottish Parliament in particular has responsibility for significant aspects of energy policy, including renewable energy, energy efficiency and environmental protection. We have mirrored that in Amendment 29 for the Welsh Government.

All in all, we think that by requiring consent from the Scottish and Welsh Governments we can ensure that the energy priorities are developed in a way that respects the distinct needs and perspectives of each nation. I urge the Government to monitor those relationships carefully.

Lord Hunt of Kings Heath (Lab): I am grateful to the noble Lords, Lord Offord and Lord Wigley. I commend the amendment to the House.

Amendment 27 agreed.

Amendments 28 to 32

Moved by ***Lord Hunt of Kings Heath***

28: Clause 5, page 3, line 13, leave out "subject"

Member's explanatory statement

See the explanatory statement to my amendment at page 3, line 12.

29: Clause 5, page 3, line 16, leave out "consult the Welsh Ministers before including" and insert "not, without the consent of the Welsh Ministers, include"

Member's explanatory statement

This amendment, and my amendment at page 3, line 17, provide that the Secretary of State must not, without the consent of the Welsh Ministers , include in a statement of strategic priorities anything which concerns a matter provision about which would be within the legislative competence of the Senedd Cymru.

30: Clause 5, page 3, line 17, leave out "subject"

Member's explanatory statement

See the explanatory statement to my amendment at page 3, line 16.

31: Clause 5, page 3, line 20, leave out from "must" to "in" in line 21 and insert "not, without the consent of the Department for the Economy in Northern Ireland, include"

Member's explanatory statement

This amendment, and my amendment at page 3, line 22, provide that the Secretary of State must not, without the consent of the Department for the Economy in Northern Ireland, include in a statement of strategic priorities anything which concerns a matter provision about which meets the conditions in subsection (6)(a) and (b).

32: Clause 5, page 3, line 22, leave out "subject"

Member's explanatory statement

See the explanatory statement to my amendment at page 3, line 20.

Amendments 28 to 32 agreed.

Baroness Williams of Trafford (Con): My Lords, it is 10.25 pm. We still have six more groups to go. There was no agreement to go beyond 10 pm, and indeed the Order Paper says that the House should sit until 10 pm. We had three and a half days in Committee, and I expressed my reservation about getting Report done in one day. A number of things have happened today which are beyond people's control, so it was a challenge anyway. I ask the Chief Whip to adjourn the House.

Captain of the Honourable Corps of Gentlemen-at-Arms and Chief Whip (Lord Kennedy of Southwark) (Lab Co-op): My Lords, I have been clear with the Opposition that we are going to complete Report stage of the Great British Energy Bill today. I made that clear in my meeting with the noble Baroness last week.

In my time in the House—which will be 15 years in June—and particularly in over three years as Opposition Chief Whip, I always played fair with the Government. On more than one occasion I sat here until 2 am or even 3 am so that the Government could get their business through, often on Bills that the noble Baroness was trying to get through this House. The Opposition, who were the Government only a few months ago, would have been absolutely furious if I had come to that Dispatch Box to ask for the House to be adjourned at only 10.26 pm. The Government have a right to get their business through. The Opposition have the right to oppose and the House has the right to scrutinise legislation. All these things can be accommodated very easily, but if the Opposition are determined not to play fair then we get into these difficulties. It is unnecessary.

I can only imagine the complaints from the noble Baroness if I was behaving like this last year. It is wrong, it is unnecessary and it does the Opposition no credit whatever. We need to complete Report tonight. We have only two amendments left to vote on—I have been advised that that will be Amendments 46 and 50. With a bit of good will on all sides, we can complete Report easily before midnight.

Amendment 33 not moved.

Amendment 34

Moved by ***Lord Hunt of Kings Heath***

34: Clause 5, page 3, line 28, leave out subsection (7)

Member's explanatory statement

This amendment is made in consequence of my other amendments to this Clause.

Amendment 34 agreed.

Clause 6: Directions

Amendments 35 and 36 not moved.

Clause 7: Annual accounts and reports

Amendment 37 not moved.

Amendment 38

Moved by ***Lord Hunt of Kings Heath***

38: After Clause 7, insert the following new Clause—

"Sustainable development

Great British Energy must keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom."

Member's explanatory statement

This amendment requires Great British Energy to keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom.

Lord Hunt of Kings Heath (Lab): My Lords, in moving my Amendment 38, I begin this group by referring to the letter I sent to all Peers on 5 February. This amendment relates to a new clause to be inserted after Clause 7, which requires Great British Energy to keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom. Throughout our debates I have been clear that a healthy natural environment is critical to a strong economy and sustainable growth and development. Our commitment to the environment is unwavering, including through meeting the Environment Act 2021 targets, such as halting biodiversity decline in England by 2030. I have also been clear that through driving clean energy deployment and supporting decarbonisation, Great British Energy will support the delivery of our carbon budgets and net zero, helping protect nature from the impact of further climate change.

I thank noble Lords for their engagement in debates on nature and biodiversity. I thank the noble Baroness, Lady Hayman, and Peers for the Planet for their constructive engagement ahead of Report. We are clear that we want to work together, across the United Kingdom, to achieve our net-zero ambitions, and we are going to carry on working together in this regard.

We see sustainable development as a broad category, recognised by the UN, covering the economy, the environment and society. The legislative amendment will be explained further in the framework document that governs the relationship between my department and Great British Energy. The framework document will be published in 2025, following Royal Assent of the Bill, to ensure that it reflects the final form of legislation.

10.30 pm

The framework document will outline, as specified in the Act, that Great British Energy would continue to keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom. It will state that sustainable development means having regard to the impact of Great British Energy's activities on the environment, society and the economy. This includes, where relevant, consideration of Great British Energy's contribution to achieving targets set by, or under, Part 1 of the Climate Change Act 2008 and Sections 1 to 3 of the Environment Act 2021, and any equivalent legislation in Scotland, Wales and Northern Ireland. It also includes, where relevant, considerations of climate change adaptation. The framework document will also specify that Great British Energy will include in its annual report a report of its activities in relation to sustainable development.

I hope that noble Lords will feel that this amendment reflects a lot of the discussions and debate we have had. I beg to move.

Baroness McIntosh of Pickering (Con): My Lords, I shall speak to my Amendment 40. I am rather disappointed that the Minister did not refer to the other amendments in this group.

Lord Hunt of Kings Heath (Lab): With great respect, my Lords, I think the form is that I move my own amendment and then respond to other amendments in the group when I wind up.

Baroness McIntosh of Pickering (Con): I am grateful for that clarification.

I welcome the government amendment in this group. However, I seek a specific assurance from the Minister as to exactly how and when the Government will ensure that the impact of GB Energy's activities will not harm sustainable development in the United Kingdom. Why I prefer the wording of my amendment to the Minister's, and why I regret the fact that the framework document will not be available before the passage of the Bill through Parliament, is because the Environment Act 2021 set out very clear environmental standards that have to be followed in subsequent legislation.

Amendment 40 addresses the issue of Great British Energy operating in such a way as to meet the criteria and environmental standards in the Environment Act 2021, which set out clear standards for environment and animal welfare that any project approved by GB Energy should meet. The projects we have discussed during the passage of the Bill potentially risk criss-crossing the countryside, covering the landscape with intrusive miles of pylons and overhead transmission lines, as well as massive solar farms and battery storage plants, the latter also posing a fire risk. Up to 10% of land currently farmed could be taken out of production, with a consequential effect on farming and food security to create a strand of energy which will bring no local benefits whatever but feed energy into the already well-fed National Grid.

I call on the Government to address offshore wind farms in a clear and pragmatic way, with one planning application for any future offshore wind farm taken at the same time as permission to build an onshore substation, to take the electricity generated and, at the same time, any proposal for onward transmission of the energy through overhead power lines and pylons.

Other damaging aspects of offshore wind farms at severe odds with sustainable development are their impact on fishers and fisheries. Wind farms damage marine life and sea mammals, and interfere with fishers going about their business. I am grateful to the National Federation of Fishermen's Organisations for its briefing, which clearly highlights the threat from offshore renewables, primarily winds but also wave and tidal.

Ten per cent of UK seas will be designated as highly protected marine areas, where fishing will be banned. The worst-case scenario could result in the loss of half of the UK's fishing waters, some 375,000 square kilometres: Scotland would lose 56% of its fishing waters and England and Wales 36% of theirs. Even if the worst-case assumptions are not realised, 38% of UK waters are likely to be lost, threatening the very existence of UK fishing businesses and causing severe harm to coastal communities.

I feel that the sentiments expressed in Amendment 40 sum up those also expressed in Amendments 47 and 48, in the name of my noble friend Lord Offord, and Amendment 51, in the name of my noble friend Lord Fuller. All I seek this evening is an assurance that farmland and residential properties will be protected from massive solar farms, battery storage plants and the like, and the impact of major substations bringing electricity onshore from these offshore wind farms. The long lines of unwelcome, intrusive overhead lines transmitting the energy to the National Grid should be removed or reduced and spatial rights for fishers should be recognised. I hope that the Minister will look kindly on the assurance that I seek.

Baroness Hayman (CB): My Lords, I have added my name to the new clause proposed in Amendment 38 by the noble Lord, Lord Hunt of Kings Heath. I thank him and his officials for the amount of time and effort that they have put into finding what is a very good resolution to the issues that we raised at earlier stages in the Bill. Obviously, in some ways, I would have preferred my own amendment as it stood in Committee, which would have put into the Bill an obligation on GBE to contribute to the targets under both the Environment Act and the Climate Change Act.

After discussion, I understand why the Minister wants to put in the phrase "Sustainable development" and to have that contribution. That is indeed the model that we adopted as a House during the passage of the Crown Estate Bill. I would not be happy with this amendment, were it not for the assurances that the Minister has just given at the Dispatch Box on what will be included in the framework document, so that we will actually see reference to contribution to achieving targets under both those Acts in the framework document. We will also see a commitment to tackling the issue of adaptation there, because none of us who has observed or experienced the weather—and the results coming out from international institutions—in the last six months will have any doubt that we have challenges already baked in by climate change and biodiversity loss that have to be met, as well as the efforts to stop things getting worse. I am very grateful for those assurances.

In some ways, a commitment to sustainable development may seem more nebulous than tying down to those particular commitments, but I believe it is really important that we acknowledge that there are differing forces—differing demands and aspirations—that have to be taken into account when we make decisions on infrastructure and investment, or whatever it is. Sustainable development, as defined by the UN, is about taking the economic, environmental and social effects of developments into account when decisions are made. Lots of difficult decisions will have to be made and there are lots of balances that have to be struck, whether about pylons or achieving net zero, and whether about growth or biodiversity and nature. We have to be able to walk and chew gum at the same time, and to actually recognise that all those strands have to be taken into account.

If we are going to get through and make the right decisions, frankly, we will have to be, first, very smart, and secondly, very frank with people about how we assess the different pressures and how we have come to individual decisions in individual cases. I have been very impressed by the work of the Crown Estate, looking at its different drivers and objectives and how it brings those into force when it looks at decision-making for investment, and I hope that GBE will be able to do exactly the same. So once again I end by thanking the Minister for the work he has done in bringing this amendment forward.

Baroness Bennett of Manor Castle (GP): My Lords, it is a great pleasure to follow the noble Baroness, Lady Hayman, for whom I have the greatest respect.

[Baroness Bennett of Manor Castle]
I know that the whole of your Lordships' House applauds her and Peers for the Planet for their enormous amount of work, but I am afraid that, on this occasion, I disagree with her. I speak to Amendment 40, to which I have attached my name, and government Amendment 38, to which the noble Baroness has offered her support. I am afraid that

"must keep under review … sustainable development"

is a very weak form of words.

I understand that the noble Baroness seeks compromise and is taking what she can get. It would be lovely to be in a situation where we can start with a government Bill that says these things and then look to improve it. None the less, in speaking to Amendment 40, I am in the curious position of agreeing with the noble Baroness, Lady McIntosh, about the amendment and totally disagreeing with lots of the things she said. If offshore wind farms are spaces from which fishers are barred, they can become wonderful marine refuges, and if we are talking about damage to the seafloor, then deep sea trawling is the issue we should be talking about, and, most of all, damage to marine life. Indeed, if we are talking about biodiversity, solar farms managed in the appropriate way can be vastly better for biodiversity than arable farmland, in which the soil and the whole environment are totally trashed.

I am aware of the time, so I will not take long, but I want to point to what this amendment says and contrast "take all reasonable steps" to achieve the legally binding targets versus "keep under review". This is much stronger wording, it is the right wording for a country that has a state of nature that is in a state of collapse, where there is so much that needs to be protected and improved, and for which we have the legally binding targets to which this amendment refers.

Earl Russell (LD): My Lords, I rise very briefly to say that I too have put my name to this amendment and I am delighted that the Minister, the noble Lord, Lord Hunt, and the noble Baroness, Lady Hayman, have been able to negotiate this compromise. It is important that this is in the Bill; it will make a difference and I am very pleased to see it here. It also reflects the language that was used in the Crown Estate Bill and that is particularly useful for GB Energy because of the strong connection they have with one another. I welcome the words that the Minister used at the Dispatch Box, mentioning the Climate Change Act 2008 and the Environment Act 2021. I welcome the monitoring that is taking place on this.

I have some sympathy with the noble Baroness, Lady McIntosh. These are obviously all very difficult conversations, and the noble Baroness, Lady Hayman, put that quite well. Actually, the way we talk about it, the spirit in which we put these things into place and how we make them work in practice are the big challenges that we all have, going ahead, but I am very pleased to see this here.

Baroness Coffey (Con): My Lords, I will speak to Amendments 40 and 47. I have recent ministerial experience of the Environment Act and the powers available under it, which is why I tabled some Questions for Written Answer. I was somewhat confused by the responses from the Government. When I asked whether they would publish their assessment, under Section 20 of the Environment Act, about not having the effect of reducing the level of environmental protection, I was informed by the Minister that the information was "legally privileged". It surprised me that the Government, who are committed to the environment—I do not dispute that—are not prepared to share with the House why they do not think this will have an adverse impact on the natural environment. I went further, asking which provisions would be "environmental law" or would impact, and I was referred to Clause 3.

Under the Environment Act, the Minister is not required to ask the advice of the Office for Environmental Protection, but I would be grateful to know whether he, or any other department, has done so. Again, that sort of information would be useful to this House, recognising that we still do not have the strategic priorities—we have the objects, but nothing wider than that—in our consideration of this. I know for sure, from living in Suffolk—I referred to this in my earlier contribution today—of the significant impact that this energy infrastructure can have.

10.45 pm

That is why I wanted to talk also to Amendment 47, which refers to offshore energy installations. We have already heard about the impact on the marine environment. I signed off the largest number of marine conservation zones this country has ever had. I did some of that deliberately—working around situations such as Dogger Bank—conscious of our needs as a country to also make progress with energy development. Nevertheless, despite the intricacy there—the science continues to evolve and there are plenty of records looking into that—one of the things that often gets lost, but which I managed to get into the previous Government's industrial strategy, was not only the impact of offshore but the impact of offshore energy onshore. That is particularly true in the areas around Saxmundham, Aldeburgh and Walberswick, which are part of Ramsar sites and international designations that are almost beyond belief anywhere in the United Kingdom; they are probably the most protected areas.

I was then further confused when I asked further Questions about whether the Government intended to apply the environmental principles duty to the Great British Energy company. The response I got from the Government was that Ministers would consider it when setting up the company, and then GB Energy

"will … be subject to relevant environmental regulation".

For me, that is not good enough. I then asked another Question about whether

"the duty to conserve and enhance biodiversity"

will be applied, to which I got an answer that was not contradictory but was different. It said that,

"as a non-departmental public body, the company will be required to comply with the biodiversity duty".

Why does this matter? It matters because we are very alert to the challenges that we face with biodiversity in this country and around the world. We have a responsibility to do that when we consider the huge installations that are happening. Sizewell C will be built—I strongly support that; I support a lot of this development—but what is confusing to people in

communities around the country is that we are prepared to trash sites of scientific interest and the like, while not being prepared to put energy infrastructure on brownfield sites closer to where the energy is needed. That is causing the frustration that people have.

So that is why I wanted to rise today: to say, "Actually, I'm afraid the Government's amendment to me is so weak as water that it is absolutely ridiculous. You could probably consider it to be one polluted by sewage on how useless it is". I could use stronger language. I believe that the amendment put forward by my noble friend Lady McIntosh of Pickering would be much stronger and suitable to serve the purpose that is intended. Candidly, having put a lot of legislation through both Houses of Parliament in my previous roles, I assure noble Lords that people should not think that that will give any extra protection on environmental grounds, because it simply will not. All it will do is tick a box in an agenda item. "Have we considered this environment?" "Yes, we have." "Does it make a difference?" "No." "Does it make it worse?" "Maybe. Who cares? We just move on." That is not the approach that we should be taking.

Baroness Young of Old Scone (Lab): My Lords, I was not going to say anything at this point because it is getting late in the evening, but I was pretty staggered by that last intervention. I found it pretty rich, coming from a Minister who signally emasculated Defra and knocked the legs out from underneath it. The statement of environmental principles to which she referred was significantly reduced as a result of the work that happened around that period. So I actually think that we should thank the Minister and the noble Baroness, Lady Hayman, and—

Baroness Coffey (Con): I am very happy to have that discussion outside, but I think it is a complete impugnment of all that we did achieve. I assure the noble Baroness that the strategy for our ground-breaking biodiversity plan is under way. I wish the Environment Secretary, Steve Reed, well in getting on with some of this stuff. It is ridiculous to try to suggest that the work the Conservative Government did in Montreal did nothing; it did a hell of a lot for the environment and I want the Labour Government to continue it and to succeed—we all do. That is why this amendment that the Government propose is not enough.

Baroness Young of Old Scone (Lab): Strangely enough, I find myself agreeing with the noble Baroness's sentiments on this amendment. We should thank the noble Baroness, Lady Hayman, and the Minister for reaching an agreement so that we can get something in the Bill. Amendment 40 would have been a lot stronger, but at least we have got something. We now need to ride heavy shotgun on what is contained in the framework to make sure that that happens.

I cannot take a lecture from the noble Baroness, because I know for a fact that Defra was severely prejudiced in its ability to do any of this work by the way that she operated when she was in that department.

Lord Fuller (Con): My Lords, I will speak to my Amendment 51. Before I get into the substance of what I want to say, I want to say how proud I am that the Conservative Government passed the Environment Act that resulted in cleaner water, purer air, less waste and lower emissions. Only the Conservatives could have done that, and I know my noble friend Lady Coffey had a hand in that.

At an earlier stage of this Bill, I probed the Minister on the environment protections for tidal energy. Upon reflection, the amendment was too tightly drawn around tidal and insufficiently drawn for protections for other types, such as wave and barrage energy. Further, I do not think that sufficient attention was paid in my earlier remarks to coastal and estuarine environments, which are all part of the offshore scene. I have altered my approach to ensure that all marine proposals must consider the environmental impacts of their introduction. I welcome the Government's late acceptance of some of these principles and their belated tabling of Amendment 38. On this side, we are grateful for it, but, as my noble friends have said, it does not go quite far enough.

My amendment would require the Secretary of State to assess the impact on the environment and animal welfare standards of the installation and generation of tidal, barrage and wave energy, together with its associated cabling. Amendment 38 talks generally about sustainability in its widest sense. My amendment seeks to define what sustainability means. It is not just carbon; it is about the wider impacts on flora and fauna. I noted and listened carefully to what the Minister said about the framework documents that have come forward, but they are in the future and we are in the now. It is certainty that we crave.

I will not detain your Lordships, because it is late, with my tale of my visit in November to the Saint-Malo tidal barrage—the world's first, opened nearly 60 years ago. However, I want for a moment to consider the environmental costs of that valuable piece of infrastructure in France. There are lessons from history to be learned as we look forward to a post-carbon world. While saving the environment by reducing carbon emissions on the one hand, the French have damaged it on the other. My amendment seeks to direct Great British Energy to strike the appropriate balance between the desirability of reducing emissions and the essentiality of protecting flora and fauna in these places.

In commenting on the Saint-Malo barrage, Thomas Adcock, an associate professor in the department of engineering science at Oxford University, said there has been a "major environmental impact" on La Rance estuary as a result of that tidal barrage, and that

"this would make it very difficult to get permission to do such a barrage again".

Researchers point to the adverse impacts on marine life due to the altering of sedimentation patterns, as well as the impact on oxygen and nutrient levels in the water. Sand-eels and plaice have disappeared, while silting has reduced the number and variation of other fauna. It is in the public interest that this is considered, so that mitigations can be put in place. My amendment seeks to ensure that, when the Government's tilted sustainability balance is engaged, it must give sufficient weight to flora and fauna under the environmental pillar, not just pull the decarbonisation trump card out of the top pocket. This is why my amendment is needed and why it goes beyond Amendment 38.

[Lord Fuller]

I am not starry-eyed about the practicality of building big machines that can survive in the most hostile environments, pounded by seas and eaten by saltwater corrosion. I am involved in the liquid fertiliser business, so I know more than most how hard it is to engineer these things in tough, salt-aggressive places, but that does not mean that we should not try. It is hard to engineer reliability in some of these unforgiving places, so the installations will be larger and more environmentally intrusive, and require more maintenance than is needed on land.

That is why this amendment is serious. It will require GB Energy to take into account a number of factors and to continuously monitor these when assessing offshore energy proposals—for example, the cumulative impact of installations when considered alongside nearby projects; the transboundary impacts, when activities in other countries may be impacted, such as commercial fishing; any interrelationships where one receptor, such as noise, can have a knock-on impact on others to disturb species, and in particular subsea noise, which impacts on marine mammals; physical processes, which include changes to the sedimentary flow; and navigational risk assessments, because sometimes vessels can be deflected into the path of others.

Taken together, consideration of these factors would ensure that some of the most delicate marine and coastal habitats, such as that introduced by my noble friend Lady Coffey—the 321 square kilometre Cromer Shoal Chalk Beds marine conservation zone, one of 91 such zones established by the last Government—would be protected.

I am not against harnessing this most inexhaustible supply of offshore energy, including tidal. The energy is there, it is year-round, it is predictable and reliable, and it deserves to be won and should be won. It is just remarkable that the Secretary of State is not required to give the appropriate directions to GB Energy to balance not just the carbon environmental benefits but environmental safeguards in the widest sense.

This evening, we sat on the water Bill. That Bill is the consequence of not thinking ahead about what might happen when a public utility gets carried away. Let us put the protections in the Bill now to constrain Great British Energy, and require the Secretary of State to ensure that a private body established for a public purpose acts in the wider public interest, not its private self-interest, and sets an example to others.

In summary, I agree with the sentiment of Amendment 38, but it does not go far enough. We must not allow carbon alone to trump all other environmental considerations. I will listen carefully to the debate, but I feel that, because of the inadequacy of government Amendment 38, if adjustments are not made then I may seek to divide the House accordingly.

Lord Offord of Garvel (Con): My Lords, I will speak to Amendments 47 and 48 in my name and in support of Amendment 51 in the name of my noble friend Lord Fuller.

The threat posed to the environment by the rapid installation of renewable energy technologies is familiar to this House, as it was discussed extensively in Committee and during debates on the Crown Estate Bill. We know that the UK is the second-largest offshore wind market in the world, and that allocation round 6 under this Government has awarded 5.4 gigawatts of offshore energy contracts across fixed and floating offshore wind and tidal stream. Indeed, the Government have committed to quadruple offshore wind by 2030 as part of their wind revolution.

The speed and scale of the Government's offshore wind developments raise significant concerns about the impact on our ecosystem. While offshore wind farms may have the potential to have positive impacts on natural habitats, we must not neglect the potential harm that wind or tidal technologies may have on our natural environment. On that note, I support Amendment 51 in the name of my noble friend Lord Fuller, which follows a similar line to Amendments 47 and 48 in my name.

Through their so-called unprecedented relationship, the Crown Estate and GB Energy have a duty to assess and mitigate the impact of their activities on the environment. By law, GB Energy must assess, report on and minimise the impact of its activities on our environment in seeking to ramp up renewables and phase out fossil fuels.

I welcome Amendment 38 in the name of the Minister. We stand by to support the noble Baroness, Lady McIntosh, if she pushes her Amendment 40 to a Division. Meanwhile, I remain to be satisfied by the Minister's response to my Amendments 47 and 48, and will consider testing the opinion of the House.

11 pm

Lord Hunt of Kings Heath (Lab): My Lords, how good it is to see so many Opposition Members taking such an interest in this Bill.

First, I thank the noble Baroness, Lady Hayman, for her support for my amendment. As she rightly said, it has to be seen alongside my Dispatch Box commitment in relation to the framework document. I agree with her about the frankness required in some of these difficult decisions and the balances that must be drawn. I take her point about the Crown Estate; I will draw her comment to the attention of Great British Energy.

The noble Baroness, Lady Bennett—who I thought might get up to support my amendment but, as ever, I remain disappointed in that regard—said that this is a weak amendment, but it is not so. It is a strong amendment that fits with the architecture of the Bill. One has to read it alongside the commitment that I have made tonight at the Dispatch Box. The one thing I can say is that it is not, and will not be, a tick-box approach. We will ensure that it is much more than that.

On Amendment 40, let me be clear: the core focus of Great British Energy is to tackle the energy crisis and deliver clean power. While its mission naturally aligns with environmental and biodiversity goals, additional statutory obligations might undermine its ability to execute its primary objectives effectively. The point here is that GBE will be fully subject to all existing environmental and climate regulations, ensuring strict compliance with environmental safeguards. If we place additional duties on a new organisation, that risks overcomplicating its mandate. My amendment already ensures that GBE will continually assess its

impact on sustainable developments, aligning with climate and biodiversity commitments. In the light of my amendment and the commitments that I made regarding Great British Energy's framework document, we are surely broadly aligned in terms of a dedication to ensure that the environment and the climate crisis are dealt with collectively.

If made, the effect of Amendments 47, 48, 51 and 53 in the names of the noble Lords, Lord Offord of Garvel and Lord Fuller, would be Great British Energy being required to cease facilitating, encouraging or participating in the relevant activity if it is found to be causing significant harm to local communities, environmental damage or significant welfare issues. Amendments 47, 48 and 51 propose a new clause after Clause 7 which would require the Secretary of State to assess the impact of Great British Energy's activities in relation to offshore wind installations and generation, as well as the decommissioning of oil and gas structures.

I do not think that these amendments are necessary for three reasons. First, GBE projects will already be subject to the UK's rigorous planning processes and environmental regulations, including environmental impact assessments, habitat regulations assessments and statutory community engagement. These ensure full consideration of local environmental and social impacts before any project proceeds.

Secondly, existing regulations—the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017, the Town and Country Planning (Environmental Impact Assessment) Regulations 2017, and the Conservation of Habitats and Species Regulations 2017—already require scrutiny. GBE will be held to the same high standards as any other developer.

Thirdly, on decommissioning, let me clarify that GBE will not be involved in decommissioning oil and gas structures. Even if it were, the UK's strict decommissioning regulations require robust safety and environmental assessments before any decision is made. More broadly, our environmental commitment remains firm. We will meet the Environment Act targets, halt biodiversity decline and safeguard marine protected areas. Given these reassurances, I hope that noble Lords will not press their amendments.

Baroness Bennett of Manor Castle (GP): My Lords, before the Minister sits down—

Noble Lords: No!

Baroness Bennett of Manor Castle (GP): My Lords, 30 seconds. The Minister referred to rigorous planning standards. I note a government press release of 26 January saying:

"Sweeping reforms under the Planning and Infrastructure Bill will take an axe to red tape that slows down approval of infrastructure projects".

Is the Minister confident that there will still be rigorous planning standards after the changes that the Government have announced?

Lord Hunt of Kings Heath (Lab): My Lords, we are on Report, but I will answer this. Of course, we are talking about speeding up the planning processes without impacting on the environmental protections that we have. That is our aim and what we will achieve.

11.05 pm

Division on Amendment 38

Contents 125; Not-Contents 103.

Amendment 38 agreed.

Division No. 6

CONTENTS

Alton of Liverpool, L.
Anderson of Stoke-on-Trent, B.
Anderson of Swansea, L.
Andrews, B.
Armstrong of Hill Top, B.
Ashton of Upholland, B.
Bach, L.
Barber of Ainsdale, L.
Beamish, L.
Beckett, B.
Berkeley, L.
Blake of Leeds, B.
Blower, B.
Bousted, B.
Bradley, L.
Brennan of Canton, L.
Brinton, B.
Brown of Silvertown, B.
Browne of Ladyton, L.
Campbell-Savours, L.
Carberry of Muswell Hill, B.
Chakrabarti, B.
Chandos, V.
Chapman of Darlington, B.
Clark of Calton, B.
Clark of Windermere, L.
Collins of Highbury, L.
Cryer, L.
Curran, B.
Davies of Brixton, L.
Donaghy, B.
Drake, B.
Eatwell, L.
Elliott of Whitburn Bay, B.
Evans of Sealand, L.
Faulkner of Worcester, L.
Finlay of Llandaff, B.
Glasman, L.
Goudie, B.
Grantchester, L.
Gray of Tottenham, B.
Griffin of Princethorpe, B.
Gustafsson, B.
Hannett of Everton, L.
Hanson of Flint, L.
Hanworth, V.
Harman, B.
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Hayman of Ullock, B.
Hayman, B.
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Healy of Primrose Hill, B.
Hendy of Richmond Hill, L.
Hendy, L.
Hermer, L.
Hollick, L.
Howarth of Newport, L.
Hughes of Stretford, B.
Humphreys, B.
Hunt of Kings Heath, L.
Jones of Penybont, L.
Jones of Whitchurch, B.
Jones, L.
Katz, L.
Keeley, B.
Kennedy of Cradley, B.
Kennedy of Southwark, L. [Teller]
Khan of Burnley, L.
Knight of Weymouth, L.
Lawrence of Clarendon, B.
Lemos, L.
Lennie, L.
Leong, L.
Levitt, B.
Liddle, L.
Lister of Burtersett, B.
Livermore, L.
Mann, L.
McIntosh of Hudnall, B.
McNicol of West Kilbride, L.
Merron, B.
Monks, L.
Moraes, L.
Morris of Yardley, B.
Murphy of Torfaen, L.
O'Grady of Upper Holloway, B.
Osamor, B.
Pinnock, B.
Pitkeathley of Camden Town, L.
Pitkeathley, B.
Ponsonby of Shulbrede, L.
Ramsey of Wall Heath, B.
Raval, L.
Reid of Cardowan, L.
Robertson of Port Ellen, L.
Rooker, L.
Russell, E.
Sahota, L.
Shamash, L.
Sherlock, B.
Smith of Basildon, B.
Smith of Malvern, B.
Spellar, L.
Stansgate, V.
Stoneham of Droxford, L.
Taylor of Bolton, B.
Taylor of Stevenage, B.
Teverson, L.
Timpson, L.
Touhig, L.
Tunnicliffe, L.
Twycross, B.
Vallance of Balham, L.
Vaux of Harrowden, L.
Warwick of Undercliffe, B.
Watson of Invergowrie, L.
Watson of Wyre Forest, L.
Watts, L.
Wheeler, B. [Teller]
Whitaker, B.
Whitty, L.
Wigley, L.
Wilcox of Newport, B.
Wood of Anfield, L.
Young of Old Scone, B.

NOT CONTENTS

Altrincham, L.
Ashcombe, L.
Barran, B.
Bates, L.
Bellingham, L.
Bennett of Manor Castle, B.
Bethell, L.
Biggar, L.
Blencathra, L.
Booth, L.
Booth-Smith, L.
Borwick, L.
Brady of Altrincham, L.
Bray of Coln, B.
Bridgeman, V.
Browning, B.
Caine, L.
Camrose, V.
Coffey, B.
Courtown, E. [Teller]
Davies of Gower, L.
De Mauley, L.
Douglas-Miller, L.
Dundee, E.
Effingham, E.
Elliott of Ballinamallard, L.
Elliott of Mickle Fell, L.
Empey, L.
Evans of Rainow, L.
Forsyth of Drumlean, L.
Foster of Oxton, B.
Fraser of Craigmaddie, B.
Fuller, L.
Gascoigne, L.
Godson, L.
Goldie, B.
Goodman of Wycombe, L.
Hamilton of Epsom, L.
Harding of Winscombe, B.
Henley, L.
Hodgson of Abinger, B.
Howard of Lympne, L.
Howard of Rising, L.
Howell of Guildford, L.
Hunt of Wirral, L.
Jamieson, L.
Jenkin of Kennington, B.
Kamall, L.
Kirkhope of Harrogate, L.
Laing of Elderslie, B.
Magan of Castletown, L.
Mancroft, L.
Manzoor, B.
Markham, L.
McInnes of Kilwinning, L.
McIntosh of Pickering, B.
McLoughlin, L.
Meyer, B.
Minto, E.
Mobarik, B.
Monckton of Dallington Forest, B.
Morris of Bolton, B.
Mott, L.
Moylan, L.
Moynihan of Chelsea, L.
Moynihan, L.
Murray of Blidworth, L.
Neville-Jones, B.
Neville-Rolfe, B.
Nicholson of Winterbourne, B.
Northbrook, L.
Norton of Louth, L.
Offord of Garvel, L.
Petitgas, L.
Porter of Fulwood, B.
Porter of Spalding, L.
Reay, L.
Redfern, B.
Robathan, L.
Sanderson of Welton, B.
Sandhurst, L.
Scott of Bybrook, B.
Sharpe of Epsom, L.
Sherbourne of Didsbury, L.
Shinkwin, L.
Smith of Hindhead, L.
Stedman-Scott, B.
Stowell of Beeston, B.
Strathcarron, L.
Strathclyde, L.
Stroud, B.
Sugg, B.
Swire, L.
True, L.
Udny-Lister, L.
Verma, B.
Waldegrave of North Hill, L.
Weir of Ballyholme, L.
Wharton of Yarm, L.
Williams of Trafford, B. [Teller]
Wyld, B.
Young of Cookham, L.
Younger of Leckie, V.

11.16 pm

Amendment 39

Moved by ***Lord Henley***

39: After Clause 7, insert the following new Clause—

"The Chair of Great British Energy

(1) The Chair of Great British Energy may not be appointed until the appointment has been scrutinised by the—

(a) Treasury Committee of the House of Commons, or any successor committee, and

(b) Energy Security and Net Zero Committee of the House of Commons, or any successor committee.

(2) The Chair of Great British Energy must undergo an annual review on their performance and this review must be—

(a) carried out by external auditors;

(b) submitted to the Secretary of State and laid before Parliament."

Lord Henley (Con): My Lords, my noble friends are not here at this stage. This was part of the first group that was discussed somewhat earlier, and I think quite a lot of us feel that this was not properly answered by His Majesty's Government. I wonder whether we could have a further response from the Minister on Amendment 39, because I am concerned that the House has not yet had a proper explanation. I beg to move.

Lord Hunt of Kings Heath (Lab): My Lords, I have great respect for the noble Lord, but I am not sure whether he was present when we debated it. I thought I gave a very full response to the noble Lord, Lord Frost. I referred to the issue of whether the appointment of the chair of GBE was subject to scrutiny by a Select Committee and said to the House that, following normal practice and the practice of the last Government, this would be a matter for discussions between the Secretary of State and the chair of the Select Committee. I think it was a very full and appropriate response.

Lord Henley (Con): I am afraid I am not happy with that and I think I would beg to test the opinion of the House.

11.18 pm

Division on Amendment 39

Contents 102; Not-Contents 123.

Amendment 39 disagreed.

Division No. 7

CONTENTS

Altrincham, L.
Ashcombe, L.
Barran, B.
Bates, L.
Bellingham, L.
Bethell, L.
Biggar, L.
Blencathra, L.
Booth, L.
Booth-Smith, L.
Borwick, L.
Brady of Altrincham, L.
Bray of Coln, B.
Bridgeman, V.
Browning, B.
Caine, L.
Camrose, V.
Coffey, B.
Courtown, E. [Teller]
Davies of Gower, L.
De Mauley, L.
Douglas-Miller, L.
Dundee, E.
Effingham, E.
Elliott of Ballinamallard, L.
Elliott of Mickle Fell, L.
Empey, L.
Evans of Rainow, L.
Forsyth of Drumlean, L.
Foster of Oxton, B.
Fraser of Craigmaddie, B.
Fuller, L.
Gascoigne, L.
Godson, L.
Goldie, B.
Goodman of Wycombe, L.
Hamilton of Epsom, L.
Harding of Winscombe, B.
Henley, L.
Hodgson of Abinger, B.
Howard of Lympne, L.
Howard of Rising, L.
Howell of Guildford, L.
Hunt of Wirral, L.
Jamieson, L.
Jenkin of Kennington, B.
Kamall, L.
Laing of Elderslie, B.
Magan of Castletown, L.
Mancroft, L.
Manzoor, B.
Markham, L.
McInnes of Kilwinning, L.
McIntosh of Pickering, B.
McLoughlin, L.
Meyer, B.
Minto, E.
Mobarik, B.
Monckton of Dallington Forest, B.
Morris of Bolton, B.
Mott, L.
Moylan, L.
Moynihan of Chelsea, L.
Moynihan, L.
Murray of Blidworth, L.
Neville-Jones, B.
Neville-Rolfe, B.
Nicholson of Winterbourne, B.
Northbrook, L.
Norton of Louth, L.
Offord of Garvel, L.
Petitgas, L.

Porter of Fulwood, B.
Porter of Spalding, L.
Reay, L.
Redfern, B.
Robathan, L.
Roborough, L.
Sanderson of Welton, B.
Sandhurst, L.
Scott of Bybrook, B.
Sharpe of Epsom, L.
Sherbourne of Didsbury, L.
Shinkwin, L.
Smith of Hindhead, L.
Stedman-Scott, B.
Stowell of Beeston, B.
Strathcarron, L.
Strathclyde, L.
Stroud, B.
Sugg, B.
Swire, L.
True, L.
Udny-Lister, L.
Verma, B.
Waldegrave of North Hill, L.
Weir of Ballyholme, L.
Wharton of Yarm, L.
Williams of Trafford, B. [Teller]
Wyld, B.
Young of Cookham, L.
Younger of Leckie, V.

NOT CONTENTS

Alton of Liverpool, L.
Anderson of Stoke-on-Trent, B.
Anderson of Swansea, L.
Andrews, B.
Armstrong of Hill Top, B.
Ashton of Upholland, B.
Bach, L.
Barber of Ainsdale, L.
Beamish, L.
Beckett, B.
Bennett of Manor Castle, B.
Berkeley, L.
Blake of Leeds, B.
Blower, B.
Bousted, B.
Bradley, L.
Brennan of Canton, L.
Brown of Silvertown, B.
Browne of Ladyton, L.
Campbell-Savours, L.
Carberry of Muswell Hill, B.
Chakrabarti, B.
Chandos, V.
Chapman of Darlington, B.
Clark of Calton, B.
Clark of Windermere, L.
Collins of Highbury, L.
Cryer, L.
Curran, B.
Donaghy, B.
Drake, B.
Eatwell, L.
Elliott of Whitburn Bay, B.
Evans of Sealand, L.
Faulkner of Worcester, L.
Finlay of Llandaff, B.
Glasman, L.
Goudie, B.
Grantchester, L.
Gray of Tottenham, B.
Griffin of Princethorpe, B.
Gustafsson, B.
Hannett of Everton, L.
Hanson of Flint, L.
Hanworth, V.
Harman, B.
Harris of Haringey, L.
Hayman of Ullock, B.
Hayman, B.
Hazarika, B.
Healy of Primrose Hill, B.
Hendy of Richmond Hill, L.
Hendy, L.
Hermer, L.
Hollick, L.
Howarth of Newport, L.
Hughes of Stretford, B.
Humphreys, B.
Hunt of Kings Heath, L.
Jones of Penybont, L.
Jones of Whitchurch, B.
Jones, L.
Katz, L.
Keeley, B.
Kennedy of Cradley, B.
Kennedy of Southwark, L. [Teller]
Khan of Burnley, L.
Knight of Weymouth, L.
Lemos, L.
Lennie, L.
Leong, L.
Levitt, B.
Liddle, L.
Lister of Burtersett, B.
Livermore, L.
Mann, L.
McIntosh of Hudnall, B.
McNicol of West Kilbride, L.
Merron, B.
Monks, L.
Moraes, L.
Morris of Yardley, B.
Murphy of Torfaen, L.
O'Grady of Upper Holloway, B.
Osamor, B.
Pinnock, B.
Pitkeathley of Camden Town, L.
Pitkeathley, B.
Ponsonby of Shulbrede, L.
Ramsey of Wall Heath, B.
Raval, L.
Reid of Cardowan, L.
Robertson of Port Ellen, L.
Rooker, L.
Russell, E.
Sahota, L.
Shamash, L.
Sherlock, B.
Smith of Basildon, B.
Smith of Malvern, B.
Spellar, L.
Stansgate, V.
Stoneham of Droxford, L.
Taylor of Bolton, B.
Taylor of Stevenage, B.
Teverson, L.
Timpson, L.
Touhig, L.
Tunnicliffe, L.
Twycross, B.
Vallance of Balham, L.
Vaux of Harrowden, L.
Warwick of Undercliffe, B.
Watson of Invergowrie, L.
Watson of Wyre Forest, L.
Watts, L.
Wheeler, B. [Teller]
Whitaker, B.
Whitty, L.
Wigley, L.
Wilcox of Newport, B.
Wood of Anfield, L.
Young of Old Scone, B.

11.27 pm

Amendment 40

Moved by ***Baroness McIntosh of Pickering***

40: After Clause 7, insert the following new Clause—

"Duty of Great British Energy to meet environmental criteria

Great British Energy must, in the exercise of its functions, and when delivering the objects in section 3 and statement of strategic priorities in section 5 of this Act, take all reasonable steps to contribute to the achievement of environmental targets set under the Environment Act 2021."

Baroness McIntosh of Pickering (Con): My Lords, I beg to move, and I wish to test the opinion of the House.

11.28 pm

Division on Amendment 40

Contents 106; Not-Contents 120.

Amendment 40 disagreed.

Division No. 8

CONTENTS

Alton of Liverpool, L.
Altrincham, L.
Ashcombe, L.
Barran, B.
Bates, L.
Bellingham, L.
Bennett of Manor Castle, B.
Bethell, L.
Biggar, L.
Blencathra, L.
Booth, L.
Booth-Smith, L.
Borwick, L.
Brady of Altrincham, L.
Bray of Coln, B.
Bridgeman, V.
Browning, B.
Caine, L.
Camrose, V.
Coffey, B.
Courtown, E. [Teller]
Cromwell, L.
Davies of Gower, L.
De Mauley, L.
Douglas-Miller, L.
Dundee, E.
Effingham, E.
Elliott of Ballinamallard, L.
Elliott of Mickle Fell, L.
Empey, L.
Evans of Rainow, L.
Forsyth of Drumlean, L.
Fraser of Craigmaddie, B.
Fuller, L.
Gascoigne, L.
Godson, L.
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11.39 pm

Amendments 41 and 42 not moved.

Lord Offord of Garvel (Con): My Lords, I wish to speak to Amendment 42.

The Deputy Speaker (Baroness Finlay of Llandaff) (CB): I have already called it. We have finished that group.

Lord Offord of Garvel (Con): My Lords—

Noble Lords: Order!

The Deputy Speaker (Baroness Finlay of Llandaff) (CB): My Lords, for the convenience of the House, I remind the noble Lord that I called that group but we have now moved on to the next amendment in the list.

Amendments 43 and 44 not moved.

Amendment 45

Moved by ***Lord Vaux of Harrowden***

45: After Clause 7, insert the following new Clause—

"Reviews of Great British Energy's effectiveness and impact

(1) The Secretary of State must appoint an independent person to carry out reviews of—

(a) the effectiveness of Great British Energy in delivering its strategic priorities, and

(b) the extent to which its investments in particular projects or types of project have encouraged additional investment in those projects or types of project by the private sector.

(2) After each review, the independent person must—

(a) prepare a report of the review, and

(b) submit the report to the Secretary of State.

(3) On receiving a report, the Secretary of State must—

(a) publish the report, and

(b) lay a copy of the report before Parliament.

(4) The first report must be submitted to the Secretary of State within the period of 3 years beginning with the day on which this Act comes into force.

(5) Subsequent reports must be submitted to the Secretary of State at intervals of not more than 3 years.

(6) In this section, references to an "independent person" are to a person who appears to the Secretary of State to be independent of—

(a) the Department of Energy and Net Zero, and

(b) Great British Energy."

Member's explanatory statement

This amendment would require an independent review of the effectiveness of Great British Energy in achieving its objectives and the extent to which it has encouraged private investment every 3 years.

Lord Vaux of Harrowden (CB): I am really puzzled as to why I am not allowed to speak to my amendment.

I will speak to two amendments in this group—I hope on a more constructive basis than we have seen on some of the other discussions just recently. I apologise that there are two very similar amendments in the group, Amendments 43 and 45. This was caused by a quirk in our system that meant that when I made some changes

to Amendment 43, so that it became Amendment 45, I was not allowed to withdraw Amendment 43. Please ignore Amendment 43 as Amendment 45 is the one I will speak to. I apologise for the confusion. I thank the noble Baroness, Lady Noakes, the noble Lord, Lord Offord, and the noble Viscount, Lord Trenchard, for their support on this.

Amendment 45 introduces a requirement for an independent review of the effectiveness and impact of Great British Energy. This, effectively, mirrors the review process set out in the UK Infrastructure Bank Act which applies to the National Wealth Fund. As we have discussed in depth, much of this Bill was copied directly from the UK Infrastructure Bank Act, and with good reason. The two entities are very similar in what they will do and, indeed, the wealth fund will be investing on behalf of GBE in the initial stages of its development.

The independent review clause in the UKIB Act, however, was left out when the Bill was drafted, which is a glaring omission. The main difference between Amendment 45 and what is in the UKIB Act is the timeline. The National Wealth Fund must commission a report after no more than seven years and then every five years. Because the Government have stated that they hope the GBE will have achieved decarbonisation by 2030, it must be appropriate that the review for GBE should take place before then, so Amendment 45 requires a shorter timeframe, with a first review after three years and every three years thereafter. It is better that we have a review when we are still able to take remedial action rather than just something that sets out after the event why we succeeded or failed. On the other hand, the annual independent review, as proposed by the noble Lord, Lord Offord, in Amendment 42, is unnecessarily onerous. I hope we can find a balance here that works.

In Committee, the Minister said:

"I am prepared to consider the principle of a review between Committee and Report".—[*Official Report*, 15/1/25; col. GC 225.]

Since then we have had a number of very constructive discussions, for which I am very grateful. I am therefore optimistic that the Minister will be able to satisfy me that the Government will introduce a suitable independent review process. Again, I stress the additionality principle that I explained in an earlier group. If the noble Lord is able to satisfy me on the independent review and confirm that any review would be expected to cover the extent to which GBE is creating additionality, I would be delighted not to move Amendment 45.

The Deputy Speaker (Baroness Finlay of Llandaff) (CB): My Lords, for clarity, we are debating Amendment 45.

Lord Hunt of Kings Heath (Lab): My Lords, I am very grateful to the noble Lord, Lord Vaux, particularly for his patience because I think this was originally in the first group, so he has done great service. We have had a very constructive discussion with the noble Lord. I am happy to confirm that the Government will bring forward an amendment on an independent review of effectiveness at Third Reading.

I am also aware, as the noble Lord said, that his amendment includes an additionality element. I am happy to confirm that additionality will be an important principle of Great British Energy—I said that earlier this evening, or this afternoon or many hours ago—particularly in respect of its investment activity. As such, we expect that it will be covered for the requirement for the independent review to consider the effectiveness of Great British Energy and to have regard to the stated strategic priorities in doing so. I look forward to bringing an amendment to the House at Third Reading.

Lord Vaux of Harrowden (CB): My Lords, I am very grateful to the Minister for those confirmations and, on that basis, I beg leave to withdraw the amendment.

Amendment 45 withdrawn.

11.45 pm

Amendment 46

Moved by ***Lord Offord of Garvel***

46: After Clause 7, insert the following new Clause—

"Impact assessment on erection of pylons

(1) Great British Energy must assess the potential impact of the erection of pylons which occurs under or in support of its functions on—

(a) local communities, and

(b) the environment.

(2) If the assessment under subsection (1) determines that the erection of pylons—

(a) will cause significant harm to local communities, or

(b) will cause significant environmental damage

Great British Energy must not facilitate, encourage or participate in the relevant activity.

(3) Within 12 months of the day on which this Act is passed and annually thereafter, Great British Energy must produce an annual report on the impact of the erection of pylons used to support its activities on local communities and the environment, and lay all such reports before Parliament."

Member's explanatory statement

This would require Great British Energy to assess and report on the impact on local communities and the environment of the erection of pylons used to support its activities.

Lord Offord of Garvel (Con): My Lords, I shall speak to Amendment 46 in my name and that of my noble friend Lord Effingham. This seeks to place a duty on Great British Energy to produce an assessment on the impact that the erection of pylons will have on local communities and the environment. Following such an assessment, if the erection of pylons will cause significant harm and damage to the above-listed categories, GB Energy must not continue to build them. The amendment also seeks to include an annual report on the impact of the construction of these pylons that must be laid before Parliament so that the proper accountability measures are in place.

To achieve the Government's rushed and ideological target for clean energy by 2030, it has been proposed that nearly 1,000 kilometres of new power lines will have to be built. It is the undeniable truth that the infrastructure of the electricity network will need to be built at a far faster rate than it has been in the past decade if the Government are to meet this pledge.

[Lord Offord of Garvel]

The reality is this: it would be possible to find a way of distributing and transmitting electricity that will not permanently damage the countryside if the Government were to uphold our 2035 target. We understood this; we committed to exploring the use of undergrounding, because the energy system operator said that in the long term that can save costs and it will avoid irreparable damage to our countryside. It is strange that the Government have dismissed this advice, choosing to base their energy policy on ideology. This is particularly true, given that an official report into the East Anglia network has discovered that in the longer term it is cheaper to bury the cables underground. The evidence suggests that, if the Government stick to our original target, they may save £600 million through the use of underground cables rather than pylons.

However, if the Government insist on achieving a decarbonised grid by 2030 at the expense of the British countryside, it is essential that GB Energy assesses and reports on the impact of their use of pylons and ceases activity if it is causing significant environmental damage.

I am minded to test the opinion of the House. I urge all noble Lords to support this amendment.

Lord Ashcombe (Con): My Lords, I understand that transporting electricity will continue to be a challenge; much of it is generated offshore in Scotland, but the need is far greater in the south. Pylons are not loved infrastructures by most but are a necessary evil. There is therefore an absolute need to assess their effect on not only those communities that live nearby but the environment, as pylons march across the countryside, often through much of our most scenic areas, not to mention the flora and fauna.

I suggest that pylons are not the only method of transport; my noble friend Lord Offord mentioned underground cables, and sea cables are also an option. There remain environmental factors, but power still has to come ashore to the areas of demand. The onshore issues therefore still remain.

The spend to achieve this, according to NESO, is some £40 billion a year for six years until 2030. I suggest two items of practicality: can the infrastructure be built on time, and do we actually have the workforce to complete this massive task? Local communities deserve nothing less than an assessment of the potential impact for the years to come.

Lord Hunt of Kings Heath (Lab): My Lords, we come to the issue of pylons. This is of course an interesting issue; I well understand that pylons are not necessarily popular with the public. They are, I am afraid, just a consequence of what we need to do to expand the grid.

The projects that Great British Energy is involved in may require the erection of pylons, but the assurance I can give is that they will be subject to existing rigorous planning processes and the relevant regulations, as with any similar projects, including environmental impact assessments and statutory stakeholder engagement. We recognise that poorly sited pylon projects can have an impact on the local area, as has been mentioned, such as in relation to wildlife, heritage or sense of place. That is why we are retaining the checks and balances in the planning system and why we want to ensure that all developers continue to engage with communities.

Noble Lords have mentioned offshore solutions. We are already building an extensive offshore network. Indeed, the latest network design from NESO means that, by 2035, three times as much undersea cabling could be laid than pylons across Britain, so we are not ignoring the potential but we will need pylons. We are not reducing the planning regime in any way at all; we want to speed it up, but we will have the protections in place and environmental considerations will come to the fore.

We do not need this amendment. I am quite satisfied that the provisions in statute at the moment are sufficient.

Lord Offord of Garvel (Con): My Lords, I believe that the Government's tunnel-visioned focus on renewable energies means that the grid will have to be developed at a far greater rate than if we turned our attention to gas and nuclear. Renewables are by nature less dense in energy and require more infrastructure to connect their assets to areas of high demand. It is striking that, as reported by NESO, we will need twice as much grid to be built in the next five years as we have built in the last 10 years combined.

Under this Government, communities are being overridden and their concerns ignored. This is not the way to undergo a successful clean energy transition. By choosing to bring forward unilaterally their clean energy target by five years to 2030, the Government have shown that it is ideological dogma. Where is the community benefit scheme that we set out when in government?

NESO has also said that all grid projects need to be met on time and that three will have to be fast-tracked ahead of schedule. If that does not happen, the Government will not meet their target and families will pay billions of pounds in extra curtailment costs. This is the cost of these accelerated power plans. We must balance carefully the necessity of enhancing our energy infrastructure with the preservation of the landscape and the communities that rely on it.

This is not simply about building pylons; it is about ensuring that the energy transition does not come at the expense of the environment or local economies. That being said, I hope that noble Lords will look to support the amendment in my name. I wish to test the opinion of the House.

11.52 pm

Division on Amendment 46

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Knight of Weymouth, L.
Lemos, L.
Lennie, L.
Leong, L.
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Liddle, L.
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Livermore, L.
Mann, L.
McIntosh of Hudnall, B.
McNicol of West Kilbride, L.
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Monks, L.
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Reid of Cardowan, L.
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Watts, L.
Wheeler, B. [Teller]
Whitaker, B.
Whitty, L.
Wilcox of Newport, B.
Wood of Anfield, L.
Young of Old Scone, B.

12.03 am

Amendments 47 to 49 not moved.

Amendment 50

Moved by ***Lord Fuller***

50: After Clause 7, insert the following new Clause—

"Duty to meet national food security criteria

Great British Energy must, in the exercise of its functions and when delivering the objects in section 3 and statement of strategic priorities in section 5 of this Act, take all reasonable steps to prevent the use of agricultural land classified as grade 1, 2 or 3a for solar energy production."

Member's explanatory statement

This amendment would require Great British Energy to take all reasonable steps to prevent the use of agricultural land classified as grade 1, 2 or 3a for solar energy production.

Lord Fuller (Con): My Lords, I shall speak in support of my Amendments 50 and 52.

They say that a nation is never more than three meals away from revolution. In the 80 years since we had to dig for victory, we have developed ever more exotic tastes, which in turn have spawned new crises from which only a first-world nation could suffer. Who can forget the filo pastry incident? While memories of hunger have faded, the need to put bread on the table has not gone away. Our nation sustains itself on the kindness of strangers, and the proportion of food that we grow ourselves has diminished and is now barely over 60%.

Last year, we had a nasty shock: the weather was bad, and a record number of farmers put land into environmental schemes. Only at the very last moment did Defra realise the jeopardy that we were placing ourselves in. Those schemes were suspended and limited plantings resumed, but it was too late to stop a 25% reduction in wheat production last harvest.

[Lord Fuller]

This year, it looks as though plantings have bounced back. However, that 25% fall in food production was a salutary warning about the fragility of our food supplies and a warning that we should not recklessly discard our farmland. It was a wake-up call because when land is converted to solar production, it is locked away for a generation—

Earl Russell (LD): I think the reduction in last year's harvest was due to the persistent wet weather and not anything to do with solar power.

Lord Fuller (Con): My Lords, if I may correct the noble Earl, Lord Russell, I said that bad weather played a part but that a major contributory factor was the volume of land that was placed into environmental schemes, not solar. I am going to go on to solar in a moment, because we will then be talking about the future and not the past.

When land is converted to solar production, it is locked away for a generation—at least 30 years—and the ability for farming to bounce back and repair the shortage that we saw last year falls away. That Rubicon is crossed. Food in your belly ranks as the most basic human need. When the chips are down, you cannot eat a solar panel, to mix metaphors. Quite simply, these amendments make it clear that GB Energy should not entice, invest, promote or encourage land-hungry solar farms to be built on our best and most versatile land.

When I tabled similar amendments in Committee, I contemplated that GB Energy should be prevented from buying grade 1, 2 or 3 land for the purposes of renewable energy production more generally. I invited the Minister to meet me to discuss the issues that I raised. I am grateful to him for having done so. In the meantime, I have taken standings from other quarters. As a result, I have adjusted my approach this time to limit the scope of my amendments to grade 1, 2 and 3a land only and to restrict it to the promotion of solar panels alone, rather than renewable sources that are less hungry for land. I hope that, by modifying my approach, the Government might do likewise.

Your Lordships' Library tells me that grade 1, 2 and 3a land comprises 42% of the cultivated area of Great Britain. By difference, therefore, 58% of agricultural land would still be available for solar energy under my proposal. It is not the best and most versatile land that feeds us. For solar, 58% is plenty to go at; it is about 12 times the size of Norfolk or over two and a half times the size of Wales.

Last time, the Minister rejected my proposal on the basis that there really was nothing to worry about. It was not expected, he said, that any more than 1% of the land—much less than is currently devoted to golf courses, apparently—would ever be submitted for renewables and that this really was not something that GB Energy should be concerned about, and certainly not him. On another occasion, the Defra Minister told your Lordships' House that grade 1 and 2 land would not be part of the large-scale solar scene—move along, nothing to see here—and that, in any event, this was not the place to debate these matters.

They might not be worried but I am, because the Government have lost control of the numbers on solar. Let us examine those numbers. In Lincolnshire, a county that does more than any other to put bread on our table, already 2% of the land is under threat. Worse, thanks to my noble friend Lord Frost, who is not in his place, we learned that the majority of the Heckingham proposal is predominantly for the best grade 1 land under the rules laid down 60 years ago.

In response to a Written Question last November, the Government told me that only two farms, amounting to 1,400 hectares, were being assessed under the NSIP regime. There are five such schemes in the county of Norfolk, where I live, comprising over 7,500 hectares. We were told from the Dispatch Box that there would be no grade 1 or 2 land included in the Sunnica proposal, but there was.

Warm words and soft soap have been spoken around the Government's proposals for a land use framework. That is something that should be welcomed, but they are only proposals, they are subject to consultation, and, in any event, they would be advisory and not statutory, and so not something that you could hang your hat on. Nevertheless, we now learn that this framework contemplates that fully 9%—not the 1% we were assured—of our farmland will be subsumed under non-agricultural uses to meet our renewable energy and other environmental objectives.

On so many levels, the Government's rhetoric is at odds with the reality. They have lost control of the numbers and in so doing are imperilling our food security, which is national security.

Given that the Government's promised indications have unwound so quickly—rather like a summer shower evaporates on a hot solar panel—I do not consider that the Minister has earned the benefit of the doubt on this matter. For this Bill is before us now, this evening—or should I say this morning? It is in the here and now, so this is the moment to ensure that Ministers are required to give direction to GB Energy to take sufficient and proportionate account of our food security alongside energy security.

I will not dwell quite so deeply as I did before on the reasons why we should be concerned about the impact of the uncontrolled growth of solar panels on our food supply. Suffice to say that on the economics, a farmer would do well to earn £200 an acre from the fruits of his labour, having invested millions in plant and equipment, and taking his chances with the risks of weather and the market. By contrast, solar developers are offering him the chance to sit on the beach with an index-linked £900 per acre or more for the next 40 years. The incentive there is to go way beyond the 1% and put our nation's food security at risk. It is our responsibility to contain and to prevent the uncontrollable contagion—in fact, a stampede for solar on the best and most versatile land, leaving us vulnerable and ever more susceptible to the supply shocks and inflation on the food goods that every person must buy every day.

I am grateful to the Minister for facilitating a meeting with the new chairman of Great British Energy. At that meeting, Herr Maier conceded that his company would be a private company but one that would need to act in the public interest. That was reassuring, although I was struck by how it seemed to be news to him that saving customers £300 a year was within his remit. However, now that this important public principle has

been accepted, I really do not see the prejudice in enshrining those public benefits in statute to direct the Secretary of State to balance food security alongside energy security, to avoid the risk that a private company established under the Companies Act 2006, with statutory duties to promote its own self-interest, will not get carried away on a frolic of its own in pursuing its own energy-related objectives while blind to the wider impact.

That is why I have presented this amendment in the way that I have. Amendment 50 is significantly less restrictive than the one I previously suggested. It follows the pattern in principle of government Amendment 38, but it is related to ensuring that solar farms and energy security versus food security are correctly balanced—in fact, the appropriate balance with the Secretary of State's directions to GB Energy to balance between energy and food security and the public and private interests.

I do not want anybody to misrepresent what this amendment is demanding. It is not a ban on solar; well over 50% of the land would still be available for it. It is not restricting renewable energy on our best land. I am not saying that GB Energy should not invest in solar in any way, shape or form; I am saying that the best land should be reserved for food production, and the less good can be preserved for other purposes. It is in the national interest that it is done this way.

The Minister has said that he has sympathy with my arguments but that this is not the device or place to make these points. However, I fundamentally disagree. As a private company with £8.3 billion burning a hole in its pocket, you would expect GB Energy to set the tone, to provide expectations and to be the physical expression of what the Government expect, so this is exactly the right place and moment to shape our nation's future energy supplies. If we do not do it here and now, where will it be done, and when, or are we just prepared to risk further legislation to rein in GB Energy later, as we have needed to do this evening with the water Bill that flows through this House?

I am very interested to hear what other noble Lords may have to say on this matter. It is a serious one, and there is nothing more serious than ensuring that our nation is fed. I hope that the noble Lord, even at this late stage, will concede, as he has done on the similarly worded Amendment 38, that this is a reasonable, sensible and proportionate way of ensuring that GB Energy does not get carried away on solar. If he does not, I regret to say that, even at this late hour, I am prepared and minded to test the opinion of the House.

12.15 am

Lord Offord of Garvel (Con): My Lords, I rise to speak in support of my noble friend Lord Fuller's amendment. In tabling it, he raises a matter of utmost importance: our nation's food security and the agriculture industry, which has been subjected to punitive tax measures by the Government.

This debate is not about whether we should install renewable energy technologies; it is about where we should develop renewable energy. At best, we can hope that, indirectly, GB Energy will help to power and heat British homes in a bid to achieve clean power by 2030. However, it is imperative that the Government's race to renewables does not come at the expense of British agriculture and food production. It should be known that, when land is used for solar farms, it does not see agricultural use for decades. We must look to protect the most versatile and fruitful land to feed the nation. This is not to say that there will not be land that can be used for renewable energy production. Ultimately, we cannot find ourselves in a position where we have warm homes but no food on our plates. Our energy security trumps food security.

My noble friend raised his concerns in Committee but, regretfully, the Minister's response was rather unsatisfactory. It is essential that the protection of agricultural land for renewable energy development is embedded in law. With that in mind, I urge all noble Lords to support my noble friend. The amendment in his name presents us and the Government with an opportunity to take decisive action to reserve agricultural land for food production. I will support my noble friend Lord Fuller if he wishes to test the opinion of the House.

Lord Cryer (Lab): My Lords, I turn to Amendments 50 and 52 in the name of the noble Lord, Lord Fuller, and spoken to in his prose poem of a speech. The importance of maintaining our natural resources to support UK agriculture and of supporting local stakeholder consultation in affairs that affect their surroundings and quality of environment are values that we share with the noble Lord. However, for the reasons that I will now set out, I must resist these amendments.

Great British Energy will be subject to the same rigorous planning processes that currently exist to protect agricultural land and minimise the effects on food security. The National Planning Policy Framework includes the preservation of agricultural land for food production as a key consideration in its legal framework governing renewable energy products. It emphasises the need to protect the best and most versatile agricultural land—namely, as the noble Lord, Lord Fuller, said, grades 1, 2 and 3A.

More broadly, looking beyond these specific amendments, the Government recognise that food security is national security—again, as the noble Lord, Lord Fuller, said. The Government do not believe that the accelerated rollout of solar generation poses a threat to food security; I will come on to that in a minute. The total area used by solar farms is very small: even in the most ambitious scenarios, less than 1% of the UK's agricultural land would be occupied by solar farms. Furthermore, solar generation can be co-located with agriculture, and many projects are designed to enable continued livestock grazing alongside energy generation. Innovation may also reduce the impact of solar farms on agriculture. The emerging science of agrivoltaics is developing innovative ways in which solar can be integrated with arable farming

On statistics, it has often been argued that the land use framework says that 9% of land will be used for energy development. The noble Lord, Lord Fuller, mentioned the 9% figure; although he did not actually say that that would cover energy generation entirely, it was implied. This is not actually correct. The 9% figure covers agricultural land that would be used for

[Lord Cryer]
the creation and restoration of habitats—I emphasise "restoration of habitats"—such as woodland, heathland, grassland and peatland. It does not cover generation alone. Defra will publish in the near future a land use consultation as an important first step in starting a national conversation on land use. There is also evidence that solar can improve biodiversity in certain areas and under certain circumstances when it is installed on agricultural land.

For these reasons, I hope that the noble Lord is assured that Great British Energy will always consider the effects on our agricultural land as a necessary element of its regulatory approvals and will, therefore, withdraw his amendment—although I am not holding my breath.

Lord Fuller (Con): My Lords, I listened carefully to what the Minister said. I will not respond in detail and this is not the place, save to say that you do not have to be an expert or a regular listener to "Gardeners' Question Time" to know that not much grows in the shade. The suggestion that agrivoltaics on arable land might be some sort of amelioration is for the birds.

I am itching to withdraw this amendment, but the Minister and I are so far apart. He says "less than 1%". The land use framework contemplates more than 9% being taken out of production. There is an appropriate tension to be drawn between food security and energy security. I am afraid that I have not received the assurances that I require. Therefore, I beg leave to test the opinion of the House.

12.20 am

Division on Amendment 50

Contents 67; Not-Contents 115.

Amendment 50 disagreed.

Division No. 10

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Alton of Liverpool, L.
Ashcombe, L.
Bates, L.
Blencathra, L.
Booth-Smith, L.
Borwick, L.
Bray of Coln, B.
Bridgeman, V.
Browning, B.
Caine, L.
Camrose, V.
Coffey, B.
Courtown, E. [Teller]
Davies of Gower, L.
De Mauley, L.
Douglas-Miller, L.
Dundee, E.
Effingham, E.
Elliott of Ballinamallard, L.
Evans of Rainow, L.
Forsyth of Drumlean, L.
Fuller, L.
Godson, L.
Goldie, B.
Goodman of Wycombe, L.
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Henley, L.
Howard of Rising, L.
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Jamieson, L.
Lexden, L.
Magan of Castletown, L.
Manzoor, B.
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Mobarik, B.
Morris of Bolton, B.
Mott, L.
Moylan, L.
Murray of Blidworth, L.
Neville-Jones, B.
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Nicholson of Winterbourne, B.
Northbrook, L.
Norton of Louth, L.
Offord of Garvel, L.
Petitgas, L.
Porter of Spalding, L.
Reay, L.
Redfern, B.
Roborough, L.
Scott of Bybrook, B.
Sharpe of Epsom, L.
Sherbourne of Didsbury, L.
Shinkwin, L.
Smith of Hindhead, L.
Stedman-Scott, B.
Strathcarron, L.
Sugg, B.
Weir of Ballyholme, L.
Wigley, L.
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Wyld, B.
Young of Cookham, L.
Younger of Leckie, V.

NOT CONTENTS

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Anderson of Swansea, L.
Andrews, B.
Armstrong of Hill Top, B.
Ashton of Upholland, B.
Bach, L.
Barber of Ainsdale, L.
Beamish, L.
Beckett, B.
Bennett of Manor Castle, B.
Berkeley, L.
Blake of Leeds, B.
Blower, B.
Bousted, B.
Bradley, L.
Brennan of Canton, L.
Brinton, B.
Brown of Silvertown, B.
Browne of Ladyton, L.
Campbell-Savours, L.
Carberry of Muswell Hill, B.
Chakrabarti, B.
Chandos, V.
Chapman of Darlington, B.
Clark of Calton, B.
Clark of Windermere, L.
Collins of Highbury, L.
Cromwell, L.
Cryer, L.
Curran, B.
Davies of Brixton, L.
Donaghy, B.
Eatwell, L.
Elliott of Whitburn Bay, B.
Evans of Sealand, L.
Faulkner of Worcester, L.
Finlay of Llandaff, B.
Glasman, L.
Goudie, B.
Grantchester, L.
Griffin of Princethorpe, B.
Gustafsson, B.
Hannett of Everton, L.
Hanson of Flint, L.
Hanworth, V.
Harman, B.
Harris of Haringey, L.
Hayman of Ullock, B.
Hazarika, B.
Healy of Primrose Hill, B.
Hendy of Richmond Hill, L.
Hendy, L.
Hermer, L.
Howarth of Newport, L.
Hughes of Stretford, B.
Humphreys, B.
Hunt of Kings Heath, L.
Jones of Penybont, L.
Jones of Whitchurch, B.
Jones, L.
Katz, L.
Keeley, B.
Kennedy of Cradley, B.
Kennedy of Southwark, L. [Teller]
Knight of Weymouth, L.
Lemos, L.
Lennie, L.
Leong, L.
Levitt, B.
Liddle, L.
Lister of Burtersett, B.
Livermore, L.
Mann, L.
McIntosh of Hudnall, B.
McNicol of West Kilbride, L.
Merron, B.
Monks, L.
Moraes, L.
Morris of Yardley, B.
O'Grady of Upper Holloway, B.
Osamor, B.
Pinnock, B.
Pitkeathley of Camden Town, L.
Pitkeathley, B.
Ponsonby of Shulbrede, L.
Ramsey of Wall Heath, B.
Raval, L.
Reid of Cardowan, L.
Robertson of Port Ellen, L.
Rooker, L.
Russell, E.
Sahota, L.
Shamash, L.
Smith of Basildon, B.
Smith of Malvern, B.
Spellar, L.
Stansgate, V.
Stoneham of Droxford, L.
Taylor of Bolton, B.
Taylor of Stevenage, B.
Timpson, L.
Touhig, L.
Tunnicliffe, L.
Twycross, B.
Vallance of Balham, L.
Vaux of Harrowden, L.
Warwick of Undercliffe, B.
Watson of Wyre Forest, L.
Watts, L.
Wheeler, B. [Teller]
Whitaker, B.
Whitty, L.
Wilcox of Newport, B.
Wood of Anfield, L.
Young of Old Scone, B.

12.30 am

Amendment 51

Tabled by ***Lord Fuller***

51: After Clause 7, insert the following new Clause—

"Offshore energy

(1) The Secretary of State must assess the impact of offshore energy installation and generation which occur under Great British Energy's functions on—

(a) the environment, and

(b) animal welfare.

(2) If the assessment under subsection (1) determines that the relevant offshore energy installation and generation is causing—

(a) environmental damage, or

(b) significant animal welfare issues,

Great British Energy must cease facilitating, encouraging or participating in the relevant activity.

(3) For the purposes of this section "offshore energy installation" means any installation that is offshore for the purposes of energy generation, including wind, tidal and wave energy installations."

Member's explanatory statement

This would require the Secretary of State to assess the impact on the environment and animal welfare of the installation and generation of offshore energy technologies and its associated cabling.

Lord Fuller (Con): My Lords, I am disappointed that the Minister did not adequately engage on the issues that I raised. For example, he mentioned biodiversity as being a matter, but that is not included at all, in any way, shape or form, in the Amendment 38 that he moved. I just think there is an insufficient balance between carbon and those other matters on sustainability.

It looks like we may have lost the battle this evening, but make no mistake: Labour's war on the countryside continues. In the circumstances, I will not press this to the vote, and I beg leave to withdraw my amendment with disappointment.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): The noble Lord should not have spoken to the amendment if he intended not to move it, but we will take that as not moved.

Amendment 51 not moved.

Amendments 52 and 53 not moved.

Clause 8: Extent, commencement and short title

Amendment 54

Moved by ***Lord Hamilton of Epsom***

54: Clause 8, page 4, line 15, leave out subsection (2) and insert—

(2) This section comes into force on the day on which this Act is passed.

(2A) Other sections in this Act come into force on the day the Secretary of State publishes an assessment on the expected impact of this Act on the number of jobs in Aberdeen."

Lord Hamilton of Epsom (Con): My Lords, the reason why I am degrouping this amendment, and indeed Amendment 55, is because there have been developments that affect both these amendments.

Amendment 54 asks the Government to publish an assessment of the expected impact of the Bill on the number of jobs in Aberdeen. Since tabling the amendment, we have had a very remarkable interview with the new chairman of Great British Energy, who goes by the name of Jürgen Maier. For some reason, he did not seem even to know that the Government were committed to lowering people's energy bills by £300. When he was asked about this, he just sort of waved the whole thing away. He also was asked about the number of jobs that were going to be brought to Aberdeen, and he said 300, which I think is a sort of top whack for the number of people he is going to employ in Great British Energy in Aberdeen. I think there was some hope that there would be rather more jobs than that in Aberdeen, but he did not seem to think that that was very important at all and, indeed, was something that stretched out to the next 10 or 20 years. He did not seem to want to be committed to any of this at all.

I think the Government have a slight problem if that is going to be the spokesman for renewable energy via Great British Energy, and I am not absolutely certain that they have the right man for the job. It seems to me important that you have somebody who stands up for the whole business of renewable energy and the ambitions—indeed, some of the things we voted on this evening—and objectives of Great British Energy. I think he should have a rather clearer idea of what he is trying to do because, if he does not, he will do nothing but bring embarrassment to the Government and everybody who believes in renewable energy.

The other thing, of course, that we must look for when it comes to jobs in Aberdeen is the renewal of the licences for the Jackdaw and Rosebank fields. I gather the Government are looking at this quite closely. It does seem to me to be absolute madness—which can only really be entertained by the Energy Secretary, Mr Ed Miliband—that, at the end of the day, we envisage a future where, inevitably, we are going to need oil and, for some extraordinary reason, that oil cannot come from our oil fields; the oil and gas will have to be imported from other countries, with, of course, a greater carbon footprint than there would otherwise be. That does not seem to be anything other than complete insanity.

I think the world is coming to realise that, although there have been these very ambitious goals of reaching net zero, the fact is that we are going to need fossil fuels for much longer than most people think. If that is the case, we might as well use our own sources of oil and gas and employ our own people, rather than employ Americans and people in the Gulf and import it from there. As I say, there will be a larger footprint if the whole thing is imported into this country from abroad.

So it strikes me that we have our priorities very seriously mixed up on this, and the Government will have to change their attitude on all of this, because otherwise we are going to make ourselves look absolutely ridiculous and do nothing to lower global emissions, which is the objective we are all trying to get.

My Amendment 55 deals with the viability of the Government reaching their net zero target. This, for me, has been very much affected by the breakfast I had

[Lord Hamilton of Epsom]
this morning with people at JCB, who are very keen that we move to a much greater production of liquid hydrogen, because they believe that that is the one fuel that can actually drive heavy vehicles such as theirs, and that that fuel has a great future there. The good news about liquid hydrogen is that they think it could be very effectively used not only in heavy vehicles such as lorries and so forth but also in trains. They were not so happy that this was an answer for aviation—but aviation is a big and growing business, as the Government recognise, with their dedication to building a fourth runway at Heathrow. Obviously, aviation is going to be a growth business as more people fly around the world, and if we are not going to have a constant source of CO_2 emissions from that, we have to move to a better fuel.

So there are many reasons why hydrogen ticks many boxes, but the problem about it is that it is not actually a silver bullet but a golden bullet. It is extremely expensive to produce and uses very large amounts of electricity. So I hope that what we will be looking at is using small modular reactors dedicated to actually producing hydrogen. Perhaps—and I am not saying this will happen—this will be able to bring the price down to a level that is bearable and something we can live with, because, if we could get the price of liquid hydrogen down, it would make a massive difference to the ability to run heavy vehicles and aircraft and other forms of transport without polluting the atmosphere and increasing the CO_2 footprint, which is one of the problems that we have today. I look forward to what the Minister has to say about both my amendments and I beg to move.

Lord Offord of Garvel (Con): My Lords, I rise to speak briefly in support of my noble friend Lord Hamilton of Epsom's Amendments 54 and 55. My noble friend referenced an interview given on 3 February 2025, in which the chair of Great British Energy, Jürgen Maier, admitted that only 200 to 300 jobs would be created in Aberdeen by Great British Energy and it could take up to 20 years for the 1,000 promised jobs to materialise. Yet in January, the Energy Minister, the Member for Rutherglen in the other place, confirmed that the Government's plan for Great British Energy to create 1,000 jobs in Aberdeen "has not changed". It seems that we are told one thing by Ministers and another by Great British Energy's chair.

It seems that the Government have given Great British Energy the responsibility for delivering on their commitments, but Great British Energy does not agree that Ministers' ambitions are its responsibility. While Ministers and Great British Energy executives can disagree, the British people will be left without the tangible benefits they were promised. It strikes me that this should be of great concern to Ministers, who will be ultimately accountable for Great British Energy's failure to deliver on the promises they themselves made.

Turning to Amendment 55 in the name of my noble friend Lord Hamilton, I supported his decision to probe the costs and viability of the Government's net-zero targets. We have already had discussions around this question, most notably when we discussed pylons in an earlier group. We agree that the Government's net-zero targets are driven by ideology and need to be reviewed to ensure that they are practically and affordably achievable. I hope that the Minister will look kindly on my noble friend's amendment in his reply.

Lord Hunt of Kings Heath (Lab): My Lords, I always look kindly on the contributions made by the noble Lord, Lord Hamilton, and enjoy debating these with him. However, sadly, I am not going to respond sympathetically to either of his amendments, perhaps to his disappointment and surprise.

The amendments would delay the designation of Great British Energy under Clause 1 and the ability of the Secretary of State to provide financial assistance under Clause 4. I must object to that. It is essential that Great British Energy starts its operations as soon as possible.

On Amendment 54, I will just say this: anyone who has met Juergen Maier will have been impressed with the quality and energy, and breadth of knowledge, experience and wisdom, that he brings to the job. He certainly has the backing of His Majesty's Government.

We need to put to rest this nonsense around Aberdeen. I have stated very clearly already this evening that we expect Great British Energy to employ 200 to 300 people, initially at its Aberdeen headquarters. The substantial issue is that GBE's activities will create and support thousands of jobs across the country.

As far as the continental shelf is concerned, I readily acknowledge the great contribution that it has made to the United Kingdom and the work of the skilled people who work in the North Sea. However, it is a declining asset. We have said that it will continue to play an important role in the future, but the future of energy in this country is to move to clean power as soon as we possibly can. We want to see continued extraction from the North Sea while that is necessary. We want to ensure a just transition for people working in the industry to other sectors, because they have a huge contribution to make.

In respect of the 200 or 300 people, the fact is that we are talking about this Parliament. As the years go by, there will be more jobs in Aberdeen and the GBE contribution will be enhanced.

I hope that the noble Lord, Lord Hamilton, will recognise that the Government are fully on top of these issues, and that we have a consistent, coherent policy to lead us to energy security, and will not press his amendment.

Lord Hamilton of Epsom (Con): My Lords, I am extremely worried if the Government do not recognise that there are certain liabilities that seem to be carried by Mr Jürgen Maier. I do not think he is going to be an adequate spokesman for GB Energy, or indeed for alternative energy. His interview, with a very mild and pretty passive Scottish journalist, was a complete car crash.

Lord Hunt of Kings Heath (Lab): My Lords, this is not the appropriate place to criticise a man of his stature and of the seniority which he brings. Noble Lords have had an opportunity to meet him, and they were generally impressed by the approach that he took. I would like to leave this morning's debate with a

sense that the House recognises that we have made a really good appointment. I express my full confidence in him.

Lord Hamilton of Epsom (Con): I have no doubt that Mr Jürgen Maier will be very grateful for the confidence of the Minister, but I do not think that it is necessarily shared that widely. I would like to test the opinion of the House.

12.44 am

Division on Amendment 54

Contents 31; Not-Contents 110.

Amendment 54 disagreed.

Division No. 11

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Ashcombe, L.
Bates, L.
Bridgeman, V.
Camrose, V.
Coffey, B.
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Effingham, E.
Evans of Rainow, L.
Forsyth of Drumlean, L.
Fuller, L.
Goldie, B.
Hamilton of Epsom, L.
Henley, L.
Hunt of Wirral, L.
Magan of Castletown, L.
Markham, L.
McLoughlin, L.
Morris of Bolton, B.
Murray of Blidworth, L.
Neville-Jones, B.
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Roborough, L.
Sherbourne of Didsbury, L.
Strathcarron, L.
Weir of Ballyholme, L.
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Younger of Leckie, V.

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Anderson of Swansea, L.
Armstrong of Hill Top, B.
Ashton of Upholland, B.
Bach, L.
Barber of Ainsdale, L.
Beamish, L.
Beckett, B.
Bennett of Manor Castle, B.
Berkeley, L.
Blake of Leeds, B.
Blower, B.
Bousted, B.
Bradley, L.
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Brinton, B.
Brown of Silvertown, B.
Browne of Ladyton, L.
Campbell-Savours, L.
Carberry of Muswell Hill, B.
Chakrabarti, B.
Chandos, V.
Chapman of Darlington, B.
Clark of Windermere, L.
Collins of Highbury, L.
Cromwell, L.
Cryer, L.
Curran, B.
Davies of Brixton, L.
Donaghy, B.
Eatwell, L.
Elliott of Whitburn Bay, B.
Evans of Sealand, L.
Faulkner of Worcester, L.
Glasman, L.
Grantchester, L.
Griffin of Princethorpe, B.
Gustafsson, B.
Hannett of Everton, L.
Hanson of Flint, L.
Hanworth, V.
Harman, B.
Harris of Haringey, L.
Hayman of Ullock, B.
Hazarika, B.
Healy of Primrose Hill, B.
Hendy of Richmond Hill, L.
Hendy, L.
Hermer, L.
Hughes of Stretford, B.
Humphreys, B.
Hunt of Kings Heath, L.
Jones of Penybont, L.
Jones of Whitchurch, B.
Jones, L.
Katz, L.
Keeley, B.
Kennedy of Cradley, B.
Kennedy of Southwark, L. [Teller]
Knight of Weymouth, L.
Lemos, L.
Lennie, L.
Leong, L.
Levitt, B.
Liddle, L.
Lister of Burtersett, B.
Livermore, L.
Mann, L.
McIntosh of Hudnall, B.
McNicol of West Kilbride, L.
Merron, B.
Monks, L.
Moraes, L.
Morris of Yardley, B.
O'Grady of Upper Holloway, B.
Osamor, B.
Pinnock, B.
Pitkeathley of Camden Town, L.
Pitkeathley, B.
Ponsonby of Shulbrede, L.
Ramsey of Wall Heath, B.
Raval, L.
Reid of Cardowan, L.
Robertson of Port Ellen, L.
Rooker, L.
Russell, E.
Sahota, L.
Shamash, L.
Smith of Basildon, B.
Smith of Malvern, B.
Spellar, L.
Stansgate, V.
Stoneham of Droxford, L.
Taylor of Bolton, B.
Taylor of Stevenage, B.
Teverson, L.
Timpson, L.
Touhig, L.
Tunnicliffe, L.
Twycross, B.
Vallance of Balham, L.
Vaux of Harrowden, L.
Warwick of Undercliffe, B.
Watson of Wyre Forest, L.
Wheeler, B. [Teller]
Whitaker, B.
Whitty, L.
Wilcox of Newport, B.
Wood of Anfield, L.
Young of Old Scone, B.

12.54 am

Amendments 55 to 57 not moved.

House adjourned at 12.54 am.

Grand Committee

Tuesday 11 February 2025

Arrangement of Business

Announcement

3.45 pm

The Deputy Chairman of Committees (Lord Duncan of Springbank) (Con): My Lords, if there is a Division in the Chamber, we shall adjourn when the Bells ring and resume after 10 minutes. We do anticipate some Divisions in the Chamber at certain points.

Bus Services (No. 2) Bill [HL]

Committee (2nd Day)

Relevant document: 13th Report from the Delegated Powers Committee

3.45 pm

Clause 11: Direct award of contracts to incumbent operators

Amendment 11

Moved by ***Lord Moylan***

11: Clause 11, page 8, line 2, at end insert—

"(1A) A franchising authority may not make a direct award of a public service contract under this regulation until it has conducted an evaluation of the operator's previous performance in meeting accessibility targets, including specific improvements to service accessibility for disabled passengers."

Member's explanatory statement

This amendment ensures that franchising authorities evaluate the incumbent operator's past performance on accessibility metrics, including improvements for disabled passengers, before granting a direct award.

The Deputy Chairman of Committees (Lord Duncan of Springbank) (Con): I call the noble Lord, Lord Moylan.

A noble Lord: Hear, hear!

Lord Moylan (Con): Despite that enthusiastic welcome, and despite the fact that it is normally a great privilege to speak first to any group of amendments being debated in Committee, I am fairly inadequate in opening this group, given that many noble Lords who wish to speak have direct experience of issues to do with disability and access to the transport system. Consequently, if noble Lords do not object, I intend to speak briefly to the two amendments in this group in my name, and I will then take the opportunity to respond later to remarks made by others who have amendments in this group.

Amendment 11 is about a condition that we propose should be placed on a local transport authority before making a direct award of a franchise, which it is allowed to do under the Bill. The direct award means that there will be no competition, no tendering of the franchise: it will be given to an incumbent operator, and perhaps even to an in-house bus company set up for the purpose, but without competition. There is considerable anxiety and concern about this proposal in the commercial sector generally, because of its non-competitive character. Our suggestion is that, where there is an incumbent operator whose services you can examine and there is a proposal to make a direct award, at the very least, there should be an additional condition whereby an evaluation has to be made of the services it provides to people who are disabled, of the need for accessibility targets, and of what specific improvements it might make to its existing services to meet accessibility targets. I very much hope that the Government will accept the amendment or look at something very similar to it. I look forward to hearing what they have to say.

Amendment 42 is also related to accessibility and fits into the broader picture of demand-responsive transport. When I said on Second Reading that the Bill has an old-fashioned, nostalgic air reminiscent of the Attlee Government, I instanced that it seemed to make no reference to demand-responsive transport, which many people feel is at least one of the ways we could provide a public transport network, especially in less populated areas. The Minister seemed to be affronted and said, in effect, that the Bill was full of references to demand-responsive transport. I could not find any, so I am trying to sneak at least one in here. The amendment says that the guidance the Government expect to issue under the Bill on bus infrastructure, stopping infrastructure, stops and so on should at least look at demand-responsive bus services in meeting the needs of disabled bus users. I hope the Government will accept that argument, although I fully take the view that a larger rewriting of the Bill is required not simply on accessibility but to give it that reference to demand-responsive transport that the Minister thinks is there but I think is absent.

Those are the two amendments I wish to mention at the moment. I look forward to hearing what other noble Lords have to say, and I will respond to their amendments later, on behalf of the Official Opposition. I beg to move.

Lord Holmes of Richmond (Con): My Lords, it is a pleasure to follow my noble friend Lord Moylan. I will speak to Amendments 35 to 39, 43, 45A and 79A, in my name. I thank the noble Lords who have countersigned my amendments. I also support all the amendments in the name of my friend, the noble Baroness, Lady Brinton, and have signed them to that effect, but will leave their introduction to her in due course.

Amendments 35 to 39 are on floating bus stops. It seems only right and proper to start by answering the question, "What are floating bus stops?" In essence, where a blind person, wheelchair user or, in fact, anybody has to cross a cycle lane that is part of the pavement to get to the bus, or has to cross part of the carriageway to get to an island representing a bus stop some way into that carriageway, those are floating bus stops. In reality, they are dangerous and discriminatory—a disaster for inclusion and accessibility, not just for blind people, wheelchair users and disabled people but for all users: parents with toddlers in pushchairs and prams, older people and younger people. In fact, anyone

[Lord Holmes of Richmond]
who crosses a live cycle lane takes their life in their hands, with not just pedal cycles but e-bikes and delivery bikes going in both directions, often at speeds of 20 mph and above.

So-called floating bus stops were born to fail, built to fail and bound to fail. Why? Tragically, they are predicated on a simplistic solution to a relatively complex issue. They fail on "inclusive by design", on "nothing about us, without us" and on any concept of accessibility for all road users.

My amendments suggest that the Bill include the concept of inclusive by design. Without it, how can we have anything in this country that is worthy of the title "public transport"? If we continue to have floating bus stops, we will have transport for some of the people some of the time, which is transport for some of the people none of the time. That cannot be the society, communities and transport system we want in 21st-century Britain.

Similarly, there is an even more unfortunate concept at the heart of so-called floating bus stops. It is the sense that, because of this planning folly of a change, a piece of the public realm that was previously accessible and could be used independently, not just by disabled people but by all people, is no longer accessible and can no longer be used independently and safely.

I suggest in further amendments that we should look at issues of accessibility, wayfinding, advice and audio and visual signals around bus stops. I suggest that the guidance principles set out currently at Clause 22 need significant strengthening to the extent that there need to be cardinal principles in the Bill, not least that the bus must be able to pull up to the kerb—not the kerb at the side of a cycle lane but the kerb of the pavement—and that users need to be able to access the bus from, and alight it to, the pavement without having to cross any cycle lane.

I suggest that we need to have proper, meaningful and ongoing consultation around these so-called floating bus stops. Will the Minister say what happened to the consultation around LTN 1/20? How can we have these pieces of public realm imposed on us without effective, meaningful consultation, not least with DPTAC, organisations of and for disabled people, disabled people and all citizens who rightly have an interest in this matter?

In Amendment 45A, I suggest that on the passage of the Bill we have a moratorium on all new so-called floating bus stops and a review and a refit programme of all existing unsafe, non-inclusive sites. We need a retrofit within a year of the passage of the Bill because floating bus stops are not fit for purpose, not fit for inclusive by design and not fit to be part of a public transport system.

Finally, in Amendment 79A, I suggest that all buses up and down the country have meaningful audiovisual announcements on board within 12 months of the passage of the Bill. Yes, this is a question of accessibility and, yes, this is a question of inclusion, but more than that the great concept underpinning all this is that when you make a change that, on the face of it, is seemingly presented as just for disabled people, everyone benefits. From tourists to people new to an area, audiovisual announcements benefit everyone. I very much look forward to this debate and to the Minister's response in due course.

Baroness Brinton (LD): My Lords, it is a pleasure to have members of the National Federation of the Blind of the UK with us today. I am going to speak to my amendments in this group, Amendments 40, 56 and 57, and I will take them in reverse order because it means that we are dealing with the overarching issues and coming down to more detailed points.

First, I thank the Minister for meeting me and discussing the amendments that I submitted for Committee last week and I thank the noble Lord, Lord Moylan, for his two amendments. The only comment I would make on Amendment 11 is that I think it would work only if many of the other amendments about data are also accepted, because the one thing we know we do not have is data about bus services. On the amendment on cost-effective alternatives and ensuring demand-led bus services, many disabled passengers would say that some of the demand-led services available with rail replacement leave a lot to be desired. I have suddenly discovered that there is a rail replacement at 7 pm on a Saturday evening and that there is no wheelchair taxi available within 100 miles to get me somewhere, so I have had to stay the night. The problem about a community having a franchising authority using only demand-led responses, important as they are, is that most disabled people just want to use the ordinary bus service like everybody else.

It is therefore a great pleasure to follow the noble Lord, Lord Holmes, and to support his amendments, which set out a number of mechanisms to ensure that disabled passengers, especially those who are blind or visually impaired, and those of us using wheelchairs, are able to use bus services safely. All my amendments in this group are to try to clarify and strengthen the right of disabled passengers to be able to access and use bus services, which is not, I am afraid, clear in law.

I start with the last of these, Amendment 57, because, as I said, it represents an overarching change to the Bill. I start by saying that I am very grateful to the Minister for the amendment that the Government laid for the Passenger Railway Services (Public Ownership) Act 2024, stating in the Bill that railway services must observe the public sector equality duty, or PSED, under the Equality Act 2010. My Amendment 57 in this group states:

> "In Schedule 19 to the Equality Act 2010 (authorities subject to public sector equality duty), at the appropriate place under the heading 'Transport', insert … 'A bus company providing services for the carriage of passengers by bus under a public service contract awarded under relevant provisions of the Transport Act 1985 or subsequent legislation'".

4 pm

Shockingly, this means that, for the first time since the passing of the Equality Act 2010, disabled people would have the basic right to access public bus services. Currently, the power rests with bus companies and the only regulation gives the power to the driver to remove people from a bus who do not move to give space to a wheelchair user or another disabled passenger requiring a seat. Don't get me wrong—that power for a driver is absolutely necessary, because it should never be up to

the disabled passenger to have an argument with other passengers and say, "I think you should get off the bus". But still there is no power under the PSED for disabled passengers to be able to access public bus services. This is also about access to bus stops and ramps, as well as to audio, digital and visual messages on buses. The onus would then be on the bus company to ensure that their buses have working ramps and that floating bus stops, and ordinary bus stops too, are safely designed and that disabled passengers on buses know where the bus is going—and that is one reason why I have signed the amendment tabled by the noble Lord, Lord Holmes. My amendment would also support his amendments.

Amendment 56 would require relevant authorities to publish a report on the state of accessibility standards of bus services within each authority's geographical boundaries and state whether they are satisfactory or unsatisfactory. That is important because there is so little data on accessibility of bus services. If authorities were required to write a report on accessibility standards —guess what—data might actually be collected. It also gives bus companies a clear picture of what they need to do. This is stronger than Amendment 11, proposed by the noble Lord, Lord Moylan, which asks only for franchising authorities to evaluate incumbent operators' past performance on accessibility before granting a direct award.

There is an entire chapter on transport in the 2016 House of Lords Select Committee on the Equality Act 2010 and Disability. I declare my interest as a member of that committee. Paragraph 281 bears repeating. It says:

"Conversion of buses to facilitate disabled access is often impracticable, and it of course takes time for a large rural fleet of buses to be replaced. But no one can pretend that there has not been adequate time".

This was written nine years ago, remember. It goes on to say:

"DPTAC explained that as long ago as 2000 the Public Service Vehicle Accessibility Regulations (PSVAR) were made which included end dates by which all non-compliant vehicles should be withdrawn from service".

It then quotes:

"These 'end dates' were negotiated with the bus industry and were intended to reflect the working life of a bus so that there should be no wholesale withdrawal of buses which still have a number of working years ahead of them. The dates were phased over a 2-year period depending on the size of the bus. The first of these end dates was reached on 1st January 2015 at which point all single deck buses weighing less than 7.5 tonnes should have been compliant with regulations. From 1st January 2016 all single deck buses should comply with PSVAR and from 1st January 2017 all double deck buses should comply".

Because of the lack of data, I am not even sure that all that has happened now, and I am not sure that franchising authorities would know this and have the tools that they need to make it possible for disabled people to travel.

That brings me to my Amendment 40, which is a probing amendment because I am not sure that Clause 22 makes clear the status of the guidance to be given by the Secretary of State about stopping places. It does not make it clear whether it is statutory guidance that must be obeyed by franchising authorities and, therefore, by contract bus companies that provide local bus services.

Subsections (1) to (3) state that the Secretary of State "may" issue guidance that "may" include various areas, and the Secretary of State

"may at any time vary or revoke".

However, subsections (4) to (6) are "must" duties for the Secretary of State to publish anything they have done under the preceding subsections (1) to (3) to consult with DPTAC, and stating which bodies are covered by this. But the relevant authorities are asked only to have due "regard" to the guidance. That is not statutory guidance. There is nothing in there about implementation, which explains why, for example, bus companies have been very slow to implement visual, digital and audio information.

I will explain why this matters. If a wheelchair user in a wheelchair space on a route they are not familiar with—facing backwards, of course—cannot see visual or hear audio information about where they are, they will not know where to get off. As the noble Lord, Lord Holmes, said, this is a continuous problem for blind and visually impaired people too.

So, my Amendment 40 strengthens the requirement concerning the Secretary of State's guidance and the actions of authorities and bus companies in implementing it. My trio of amendments aims to give disabled bus passengers the same rights under law that disabled rail passengers have and that every able-bodied member of the public has. They also probe whether the wording in Clauses 22, 24 and 25 is backed up by the Equality Act, which is why disabled people need Amendment 57. The PSED gives us the right that everyone else thinks we already have but we do not: the right that non-disabled people take for granted every day.

Baroness Jones of Moulsecoomb (GP): My Lords, I signed several amendments of the noble Lord, Lord Holmes, and I would have signed those of the noble Baroness, Lady Brinton, which are very good. I speak as somebody who has always loved floating bus islands, because I have no disabilities—other than not being capable of keeping my views to myself—and there seems to be a degree of real safety for cyclists going past them. But, obviously, since we have been discussing this, I have become very aware that floating bus islands are in some quite dangerous situations and difficult places, and I have now changed my mind—which is a rare thing for me to do.

There are probably three reasons for me to support these amendments. First, as the noble Lord, Lord Holmes, said, everyone benefits when we make things safe—that is absolutely obvious. When you have an increasingly older population, as we do in the UK, that is incredibly important. There is also the question of fairness. I want a fair society; I know we are a long way off it, but it really is something we should aim for constantly. Lastly, I have family with invisible disabilities, and I do not even know how we can help people who have those. But, clearly, as much information as possible, given as often as possible, will be part of that.

Finally, I cannot see anything in these amendments that the Minister would disagree with, so I very much look forward to the Government accepting them all and saying what a good job the Opposition are doing.

Lord Grayling (Con): My Lords, I will pick up on the points my noble friend Lord Moylan made about demand-responsive buses. I acknowledge what the noble Baroness, Lady Brinton, said. The key point of those buses is not that they are for disabled people but that they are a fundamental part of the future of transport in many rural areas. It is enormously important that, as local authorities migrate to a new way of doing things under the terms of the Bill, they encourage the development of demand-responsive buses. The reality is that they are an important way to bridge the gap between many rural communities and local towns, given the absence of public transport. It is important that buses do not develop in a way that excludes those with disabilities. We need to encourage local authorities in this respect.

I agree that currently, demand-responsive buses are significant for the elderly and the disabled, but that is not how it must be in the future. It is important to transition to the new arrangements in a way that does not forget the important role the demand-responsive system will play for disabled people as well. It must be part of local authorities' responsibilities to be mindful of how that happens. That may involve vehicle standards or other provisions, but demand-responsive buses and disability must go together in the context of a new world where such buses are simply a part of our public transport system.

Baroness Grey-Thompson (CB): I rise to speak strongly in favour of all the amendments of the noble Lord, Lord Holmes, and Amendment 56, to which I have added my name.

We are trying to get to the position where more disabled people can travel by bus. A good bus network has a positive impact on the local community. KPMG and ITS Leeds found that a 10% improvement in local bus service connectivity is associated with a 3.6% reduction in deprivation, leading to measurable improvements in health, skills and income. However, many disabled people have poor experiences of using buses. I have had my own.

On New Year's Eve, a driver refused to put the ramp down, let everyone else on, and then argued that there was no space for me to get on. We were then left with the potential issue of two people with buggies and I arguing over who was able to use the space. The driver refused to engage with me and tried to split my family up; my daughter is an adult, so, fine. The driver then suggested that we all get off and wait for another bus behind—who knows when? I was having a discussion about all this when an amazing woman with a young child in a buggy who was only going one stop further got off, so that I could get on and take a much longer journey.

A number of people have been in touch with me about problems such as having been refused service, ramps not working or drivers not wanting to pick them up. There is also the issue of where the ramp is positioned when buses stop to enable a safe set-down. London buses seem to be in a much better position than others around the country, with induction loops, audio announcements, LCD display screens and information posts, but people should not have to try to count the number of bus stops in order to get to where they are going. In a survey of blind and visually impaired people using TfL, 65% of blind or partially sighted respondents told the Sight Loss Council that making transport accessible was the most important thing to them.

I am briefly going to cover floating bus stops, because they are a massive issue for all people. They are dangerous at busy times of day. When I get off a bus, once the ramp goes down I have to pull a wheelie so I can control the speed. But often, there is not enough space for my wheelchair to fit at the side of a floating bus stop. On Westminster Bridge, which I cross at least a couple of times a day, on many days I see bikes not stopping and running both sets of red lights, and where the floating bus stop is located. Indeed, this morning I saw a delivery driver riding the wrong way over Westminster Bridge in the bike lane. Those getting off the bus would not even think to look both ways. They were in quite a dangerous position.

I agree, slightly, with noble Baroness, Lady Brinton, about cyclists. The situation is dangerous for them, although I find myself turning into a woman of a certain age, shouting at cyclists who run red lights and cause a lot of problems. We have to take into account that TfL's own published figures suggest that 60% of cyclists do not obey road rules by giving way to pedestrians at crossings. When you factor this into floating bus stops, you can see why the situation is so dangerous.

Evidence has been collated by the RNIB, which is keen to highlight how dangerous floating bus stops are for blind and partially sighted people. Government research shows that when London's floating bus stops were designed, blind and partially sighted people were not involved in the street design process. Wheels for Wellbeing is worried about the number of disabled people who, because of that, could be discouraged from using buses. I am going to use a phrase that I normally use for my experiences of travelling by train: I just want the same miserable experience of commuting as everybody else. We are not quite there yet, but making it better for disabled people makes it better for everybody.

4.15 pm

Lord Hampton (CB): My Lords, I will speak briefly to Amendments 35 to 39, which I have put my name to. I have no problem with any of these amendments, particularly Amendment 56 in the name of the noble Baroness, Lady Brinton, in which she talks about data, which I will get on to later. I apologise for degrouping, which I know has been weaponised recently. I degrouped mine because there is a subtle difference, and I did not want the two amendments to compete with each other.

Rather controversially, I disagree with the noble Lord, Lord Holmes, who said that floating bus stops are discriminatory. They are not: they are dangerous for everybody. I cycle, walk and catch buses. I avoid floating bus stops if I can because they are just terrifying. We have a chance to set a template here. I keep banging on about this. London works really well, and we are moving this out to other parts of the country. Accessibility and inclusive design need to be there, so that we can put it out to everybody.

Guide Dogs for the Blind and UCL did a lot of research recently, which they sent us, on floating bus stops. We should get people back on the buses any way we can. There are people sitting here who cannot use buses any more. We will talk later about rural areas, but buses are the ultimate form of travel. They should be quick, easy and pleasant to use. We must do everything we can do to make that everybody's experience.

Lord Berkeley (Lab): My Lords, I apologise for not being here at the beginning of the debate. The debate about floating bus stops—I heard the comments from the noble Baroness, Lady Grey-Thompson, and others—all depends on the dimensions and who is around.

The noble Baroness mentioned Westminster Bridge, where the floating bus stop is on the far side of the bridge. The cycle lane there is a complete waste of time because it is full of pedestrians. The pedestrians are going on the road. It is a question of how much space is allocated to cyclists, to pedestrians, to people trying to get on and off buses—often with wheelchairs, which need to be level—and to vehicles. We have something to learn about that.

The opposite example is the other side of Victoria Station, in London, where, probably 20 years ago, a mayor put in a cycle lane but it was so narrow that you had to slow to a dead stop before you could turn a little corner. It is a question of design. A moratorium on these floating bus stops would be a great shame. Many cycle lanes, floating bus stops, and so on need a regular review depending on how many people are using them and how safe they are. Safety has to be balanced between cyclists, people in wheelchairs, able-bodied people and the foreigners who do not understand that we keep left, before we make changes. There are good places for floating bus stops and there are probably some bad ones.

Baroness Pidgeon (LD): My Lords, this one of the most important groups we are debating on this legislation. I will first speak to Amendment 41, which addresses disability training across the sector. Bus services are a lifeline for many people, providing essential access to employment, education, healthcare and social activities. However, for people with disabilities, navigating the bus system can present significant challenges. It is therefore really important when we consider legislation to look to make improvements, to ensure that public transport is accessible and inclusive for everyone. By incorporating comprehensive disability guidance into staff training, we transform the whole passenger experience.

Years ago, I attended bus driver training at one of the bus garages in Camberwell in London. I have to say, to describe it as not fit for purpose would be an understatement. I know significant changes have taken place since then, but we need quality training across the country. For example, training will increase understanding and equip staff with the knowledge and skills to understand the diverse needs of passengers with disabilities, ensuring the right support and assistance. It will also help staff identify and address barriers to accessibility, ensuring that buses and related services are designed and operated in a way that supports all passengers, including those with physical, sensory and cognitive disabilities. When staff are well trained in disability awareness, it leads to a much more positive experience for all passengers, so I will be interested to hear the Minister's response to that amendment.

We have already heard some powerful case studies as we have discussed these amendments, in particular the detailed one of the noble Baroness, Lady Grey-Thompson. I saw an interesting story in my press cuttings this morning concerning a freedom of information request Transport for All had published in London. It showed that wheelchair users were denied access to London buses 441 times in the last year due to inaccessibility. In some 56 instances, the bus ramp failed, and in 385 the user was refused admission for other reasons. That is why this discussion today is so important: people are being denied access to public transport when they are in a wheelchair or have other disabilities.

Many other amendments in this group have been clearly detailed and powerfully set out by my noble friend Lady Brinton and the noble Lord, Lord Holmes. All of them would strengthen the Bill considerably. All are aimed at tackling accessibility issues, whether that is training, bus stops or bus services, but there is a serious issue we are discussing today, and that is bus stop bypasses. In designing something to keep cyclists safer on our roads, so they are not at the point where buses pull out, and to keep them away from motorised transport, a barrier for blind and visually impaired passengers has been created. While keeping cyclists safe is very important, it is also important that we keep blind and visually impaired bus passengers safe. Design has to be inclusive, as we have heard. I will be really interested to hear how the Government plan to address this serious concern, because consistency of design and design standards is essential.

We must look to create a truly accessible transport network that is for everyone. I look forward to hearing the detailed response from the Minister to the many points raised in this important group of amendments.

The Minister of State, Department for Transport (Lord Hendy of Richmond Hill) (Lab): My Lords, before I commence my response, I would like to update your Lordships on progress since day one of the Grand Committee. I have met with several noble Lords to discuss the Bill, including exploring matters that were the subject of amendments debated in your Lordships' House. I am also considering the role of guidance, such as bus franchising guidance, in providing clarity on the department's expectations. I thank noble Lords for offering their thoughts on these issues and look forward to continuing our discussion. As the noble Baroness, Lady Brinton, did, I welcome the presence of representatives of the National Federation of the Blind UK, to whom I spoke at the end of the last Committee meeting.

I begin by taking government Amendments 44 and 45 together. Amendment 44 makes a minor change to Clause 22 to clarify that where it refers to a public service vehicle, it means a public service vehicle as defined in the Public Passenger Vehicles Act 1981. In practical terms, this is the standard definition of a public service vehicle, referenced in the Transport Act 1985 and used in other legislation, whether relating to accessibility or otherwise. This amendment seeks to

[Lord Hendy of Richmond Hill]
ensure consistency of understanding between this and other clauses and existing legislation. It does not change the intention or function of this measure.

Amendment 45 is intended to future-proof Clause 22 by anticipating the use of autonomous vehicles in local bus services. Clause 22 currently requires specified authorities to have regard to guidance on the safety and accessibility of stopping places. Facilities in this context include those that assist a driver of a public service vehicle to enable passengers to board or alight from the vehicle. The feature most commonly used to do this is the painted cage on the roadway, which keeps an area free of obstructions to enable the driver to position their vehicle flush with the kerb, but it is conceivable that, in future, there may be facilities that support the autonomous alignment of the vehicle without the involvement of a driver. As such, this amendment seeks to remove the reference to a driver in the relevant definition of facilities. It is clearly important that we make legislation for not just the services of today but those of tomorrow and, where possible, avoid the need for future amendments to primary legislation.

I thank the noble Lord, Lord Moylan, and the noble Earl, Lord Effingham, for Amendment 11. The intention behind the option directly to award contracts is to support the transition to a franchising model. As part of the direct-award contract, the franchising authority can stipulate the accessibility requirements that it expects the operator to deliver. There is existing guidance in place that supports this. This amendment would be likely to delay the transition to bus franchising and increase the burden and cost on the franchising authority, and for these reasons I believe that it is unnecessary.

I turn now to the amendments that the noble Lord, Lord Holmes of Richmond, has tabled to Clause 22. He is one of the many champions in this House for inclusivity and accessibility in transport, and, of course, I absolutely respect his views, as I do those of the noble Baronesses, Lady Brinton and Lady Grey-Thompson, given the experiences that they have talked about today and elsewhere, and those of the noble Lord, Lord Hampton. I will respond to each of the amendments tabled by the noble Lord, Lord Holmes, in turn.

Amendment 35 seeks to amend Clause 22 by including a power to make guidance to ensure that inclusive design principles are complied with in full. I know that the noble Lord supports the premise of this clause, including our intention to ensure that new and upgraded bus stations and stops are inclusive by design. I am concerned, however, that the amendment as drafted would place unnecessary constraints on how the guidance can be drafted and might make it more challenging for local authorities to implement it effectively. Instead of providing authorities with choice, the guidance would need to encourage the adoption of a single set of principles that might not be relevant in every circumstance. It would also constrain the collaborative development approach that we intend to take. I assure the noble Lord that we have included Clause 22 because we know that stopping-place infrastructure must be more inclusive. However, I am concerned that his amendment would frustrate our ability to achieve this rather than support it.

Amendment 36 seeks to emphasise the importance of independent travel for disabled people. Clause 22 currently allows the Secretary of State to provide guidance for the purpose of facilitating travel by persons with disabilities. This amendment would clarify that it is for the specific purpose of facilitating independent travel. As currently drafted, the clause allows the Secretary of State to provide guidance to facilitate travel by all disabled people, whether travelling independently or otherwise. The amendment could have the undesirable effect of requiring guidance to focus principally on those not travelling with companions. I am sure that the noble Lord would agree that bus stations and stops should be safe and accessible for everyone, and I believe that the current clause draft is more appropriate for achieving this.

Amendment 37 seeks to specify in greater detail what stopping-place features can be covered in statutory guidance. It does this by providing a list of specific stopping-place features that the noble Lord considers to be important to cover. However, Clause 22 already specifies that guidance can cover the location, design, construction and maintenance of stopping places and related facilities. That list is intended to be permissive and overarching. It is important for the decision on what facilities to cover and what advice to provide to be informed by specialist input and stakeholder engagement. We will work closely with the Disabled Persons Transport Advisory Committee, or DPTAC, as we develop the guidance. We will also engage with other organisations representing disabled people and others to ensure that the guidance covers the right subjects and can be effective in supporting provision of safe and accessible infrastructure. It seems likely that the features that the noble Lord identifies, as well as others he has not, would be highlighted to us as important for inclusion, regardless of whether his proposed amendment is accepted.

4.30 pm

Amendments 38, 43 and 45A concern floating bus stops. Amendment 38 seeks to reduce interactions between cyclists and pedestrians using bus stops, and Amendment 43 seeks to require authorities to adhere to the statutory guidance relating to floating bus stops. Taken together, they would require the Secretary of State to issue statutory guidance requiring that buses stop adjacent to the kerb at bus stops to allow passengers to board or alight directly from the pavement and would further require that passengers can continue their journeys without crossing cycle tracks or using pavements which incorporate them.

The statutory guidance under Clause 22 is intended to help authorities to adopt a more consistent approach to providing safe and accessible stopping places. The clause allows for guidance to be provided on aspects of floating bus stops within the planned statutory guidance. In requiring authorities only to pay regard this guidance, the intention is to recognise their need for flexibility in applying recommendations to bus stations and stops in a variety of locations. I agree with the noble Lord on the need for inclusion by design, which is why we are seeking to support authorities with statutory guidance to get it right first time when providing or upgrading stopping places. Inclusion

is, however, about everyone, and it is important that authorities consider the needs of all vulnerable road users when they design stopping-place infrastructure.

Amendment 45A seeks to place a requirement on the Secretary of State to announce that no new floating bus stops may be installed. It also requires her to carry out a review of existing sites and announce a programme of retrofitting all sites to ensure they are fully accessible. However, work is already under way that will have the same practical effect. It would also not be appropriate for central government to intervene in the way suggested in matters that are, and always have been, the responsibility of local authorities.

I take this opportunity to update noble Lords on the department's latest position. Providing safe facilities for cyclists while also not disadvantaging pedestrians, particularly disabled people, will inevitably require some compromise, but we are focused on helping local authorities to implement change in a way that is more consistent and accessible. Active Travel England's engagement with local authorities has shown that designers are often unaware of existing guidance, meaning that there is a risk of sites being installed that have not met or do not meet current good practice. In response, it is developing an interim advice note to help to address this gap until further permanent good practice advice is available. The aim is to publish this in spring this year.

Floating bus stops are found across the UK, with a high proportion in London. Following concerns raised by some customers, Transport for London published a safety review in May 2024 that found the risk of injury at a bus stop bypass to be low. However, it is now beginning a programme of remedial works in partnership with London boroughs. It is also carrying out a design review in consultation with stakeholders representing disabled people and active travel groups to identify what further changes and enhancements could be applied to improve the accessibility of bus stop bypasses. The department is working with Transport for London with the intention that the lessons learned are applied nationally.

Active Travel England is developing a separate research project to supplement knowledge and address the gaps identified. It is also considering guidance on funding sources that can be used to retrofit existing schemes. Those activities will be supported by stakeholder engagement, and that will include the department's statutory accessibility advisers, DPTAC.

I hope that the noble Lord and others will agree that taking considered, evidence-based decisions that promote the safety of all road users is the way in which to achieve true inclusion. However, I have taken great care to listen to and note the issues raised by the noble Lord, Lord Holmes, as well as the noble Baronesses, Lady Brinton, Lady Jones, Lady Pidgeon, and others, and I look forward to discussing this matter further with the noble Lord, Lord Holmes, alongside the Minister for Local Transport, in a meeting currently schedule for two days' time. Following that meeting, we will consider further what action we can take to deal with the important issues that he raises.

The next amendment tabled by the noble Lord, Lord Holmes, relating to Clause 22 is Amendment 39. This seeks to require consultation with groups representing disabled people and with disabled people themselves whenever the Secretary of State gives, revokes or updates existing versions of the statutory guidance. I have already said that we will work with DPTAC on developing the guidance. The committee has a statutory role in advising Ministers about the needs of disabled transport users. Since most of its 18 members are disabled, this enables them to speak authoritatively for the needs of people with a range of impairments and access needs. However, I also recognise that it is important to understand the everyday experiences of disabled people and the perspectives of the organisations that represent them. That is why we will seek to hear a broader range of voices as we develop and draft the guidance.

Given my clear commitment to meaningful engagement as we develop the guidance, to revisions after it is implemented and to the need for flexibility in how it is undertaken, I believe that the noble Lord's amendment is unnecessary and overly restrictive.

I thank Baroness, Lady Brinton, the noble Lord, Lord Holmes of Richmond, and my noble friend Lord Blunkett for Amendment 40. I know that the noble Baroness supports our wish to see an improvement in the safety and accessibility of bus stations and stops. I note that, since the amendment was initially tabled by the noble Baroness, Lady Brinton, the noble Lord, Lord Holmes, and my noble friend Lord Blunkett have added their names to it.

At present, Clause 22 requires specific organisations to pay regard to the statutory guidance that will be provided by the Secretary of State on the safety and accessibility of stopping places. The noble Baroness's amendment replaces the duty "to have regard" to the guidance with a duty instead to

"take reasonable steps to implement"

it. It is Government's view that organisations using the guidance must have flexibility to make their own decisions based on their local circumstances and what will work most effectively to support their communities, including disabled passengers. While I support the aim to achieve consistency in the design of stopping places, I am concerned that, as drafted, the amendment will place more onerous and overly prescriptive requirements on authorities. It is also likely that such an obligation would be inconsistent with the legal status of statutory guidance, which cannot place an obligation on users to take specific steps.

Although I have explained why this amendment may not offer the right way forward, its intention is in the spirit of improving the Bill. I thank the noble Lords for this, and I will endeavour to take this away and look at options, such as supporting authorities through strengthened guidance to take a proactive approach to identifying and challenging bus service inaccessibility. I will continue to discuss the matter with the noble Baroness, and I invite the noble Lord, Lord Holmes, and my noble friend Lord Blunkett to join those discussions so that we can ensure that future guidance speaks to the intention of this amendment.

Amendment 41 was also tabled by the noble Baroness, Lady Brinton. I appreciate the intention of this amendment and agree that training and awareness are very important. I listened with great care to what the noble Baroness, Lady Pidgeon, said, in particular

[Lord Hendy of Richmond Hill]
the 441 instances where disabled passengers were refused access to a bus, all of which were unsatisfactory. We of course need to do something about it.

We will seek to ensure that the statutory guidance is written in clear and accessible language, enabling staff in relevant authorities to understand how it should be applied. Regarding bus operators and staff training on the use of the guidance, most operators are not responsible for providing bus stations or stops and, therefore, training their staff on this would be an inefficient use of resources. The statutory guidance will be made publicly available, allowing everyone to take it into account if they so choose. That being said, I reiterate that it is reasonable to expect local authority practitioners to understand the purpose of the guidance and how to apply it. However, I suggest that this can be addressed through existing mechanisms.

The department funds the Bus Centre of Excellence, which organises events, fosters networks, provides training and hosts a dedicated website containing a repository of resources for bus practitioners. The website already features a social value toolkit focusing on equality and buses, links to the department's REAL disability awareness training package and a webinar on bus and infrastructure safety, among other resources. I respectfully suggest that using the expertise and connections of the Bus Centre of Excellence to disseminate knowledge and awareness is likely to be more effective than creating new processes or obligations.

Baroness Brinton (LD): To correct the record, Amendment 41 was in the name of the noble Baroness, Lady Pidgeon, not in my name.

Lord Hendy of Richmond Hill (Lab): I am so sorry to both noble Baronesses. That is my error.

Amendment 42 in the names of the noble Lord, Lord Moylan, and the noble Earl, Lord Effingham, seeks to protect access to local transport services by requiring the statutory guidance to recommend the use of demand-responsive transport, or DRT, where other options are not viable. As I said on the previous day in Committee, DRT has the potential to improve the local transport offer. I agree with the noble Lord, Lord Grayling, that demand-responsive transport is not mutually exclusive from accessibility. Accessibility must be part of that offer, where it is part of the local transport offer. I agree that authorities should consider a range of transport options when reviewing the future of services, but I am not convinced that the stopping places statutory guidance is the right place for this recommendation.

Clause 22 is principally about ensuring that stopping places provide a safe and accessible environment. There may well be times when it is appropriate to consider the role of DRT when planning such work; however, it is more appropriate when considering service provision generally, which is beyond the scope of the statutory guidance about stopping places. I reassure noble Lords that the Government have a strong interest in DRT for areas without regular fixed-route connections, many of which—though not all—might be rural. The department is currently undertaking a monitoring and evaluation exercise on the DRT rural mobility fund pilots and will produce best practice guidance to support local transport authorities interested in setting up DRT services in their areas.

Amendment 56 seeks to require relevant authorities to publish a report on the accessibility standards of bus services within their boundaries, including an assessment of how satisfactory they consider them to be. I fully support the spirit of this amendment, which is designed to incentivise local authorities to take responsibility for driving up accessibility standards in their areas. It is precisely because of the need for greater focus and consistency in the provision of safe and accessible infrastructure that the Government are requiring authorities to have regard to the statutory guidance on safety and accessibility at stopping places.

However, throughout the process of developing Clause 22, the Government have been clear that the clause and subsequent guidance need to consider a variety of factors. That is why the requirement has been designed to be both proportionate and flexible. In contrast, this amendment as drafted would place an unreasonably high reporting burden on local authorities. It would also introduce significant duplication, with authorities with overlapping jurisdictions required to report on the same matters. For instance, both Eastbourne Borough Council and East Sussex County Council would be required to report independently on the accessibility of bus services in Eastbourne.

Achieving compliance could entail a lot of work with little benefit for authorities, which would be asked to report on services for which they are not responsible. For instance, a district council with no responsibility for bus services would still be required to report on the accessibility of services in its area. While I recognise the accountability and positive change that noble Lords seek to encourage, I am not convinced that this is a sufficiently proportionate way to achieve it. As I have indicated, I will think about it further and talk to noble Lords to identify how we can help authorities take decisions on local transport provision with a sufficient understanding of the impact of services on disabled people.

Amendment 57 seeks to bring bus operators explicitly within the remit of the public sector equality duty under the Equality Act 2010. The amendment proposes to achieve this by adding bus operators providing services to the list of public authorities in Schedule 19. Local transport authorities are already subject to the public sector equality duty as listed public authorities in Schedule 19, and this would include franchising authorities. The duty must also be met by an entity that exercises a public function, even if it is not explicitly listed in Schedule 19. This would include any bus company that exercises such functions, such as a local authority bus company.

4.45 pm

It is, however, not possible expressly to apply the public sector equality duty to privately owned bus companies without making significant changes to how the Equality Act 2010 operates. It is also important to highlight that all local bus service operators are already subject to substantial obligations under existing legislation relating to accessibility, most notably the Equality Act 2010, which includes the duty to make reasonable

adjustments. The Public Service Vehicles Accessibility Regulations 2000 require vehicles carrying more than 22 passengers on local and scheduled services to provide physical features to help disabled people travel safely and the Public Service Vehicles (Accessible Information) Regulations 2023 require the provision of audible and visible route and location announcements on board local services.

While I appreciate the spirit behind this amendment, it risks duplicating existing duties and creating potential confusion without providing significant additional benefits. I therefore suggest that the existing framework remains sufficient. I would however be happy to discuss further with the noble Baroness, Lady Brinton, and the noble Lords, Lord Blunkett and Lord Holmes, how we can ensure that the authorities are mindful of their existing equalities obligations and that they are supported to prioritise the accessibility of local bus services.

I turn to the last amendment, in the name of the noble Lord, Lord Holmes, and apologise for the length of my speech. Amendment 79A seeks to require the provision of audible and visible information on buses within one year of Royal Assent. I understand the importance of this, but I am pleased to advise the noble Lord that the implementation of the Public Service Vehicles (Accessible Information) Regulations, debated in this House in 2023 and commenced later that year, continues apace. Those regulations in effect require exactly what he would like: they already apply to vehicles first used on local services from October 2019 onwards, and by October 2026 most local services will need to comply.

The provision of accessible information grants has also helped the smallest operators to install and use necessary equipment. Those regulations, which are already in place, should soon result in a national bus network that allows anybody to board with certainty that they are heading the right way. I therefore suggest that the noble Lord's amendment is not required and invite him to withdraw it.

Baroness Brinton (LD): I would like to ask a brief question about the Minister's Amendments 44 and 45. They refer to automated vehicles. Those of us who worked on the Automated Vehicles Act 2024 will remember that Section 83 disapplies taxis, private hire vehicles and buses in their entirety because of the issues about driver versus non-driver vehicles. I am not asking the Minister for a reply now, but could he write to me in light of Section 83 and say how that would sit with this Bill?

Lord Hendy of Richmond Hill (Lab): I thank the noble Baroness for her intervention, and I will certainly write to her on that basis.

Lord Moylan (Con): My Lords, inspired by the Minister, I shall be brief. Much as I expected, there were many valuable insights in this debate, particularly from public transport users who are disabled. We all learned a great deal from what was said, although, for many of us, very little of it was new because we have heard it before—though we are not always hearing sufficient progress in response.

That meant it was all the more disappointing that the Minister, although he is known to be sympathetic to this agenda, responded to the debate by saying no to everything. He appears to be programmed by the department to say no to every amendment that is put forward. There is always an excuse why each amendment must be turned down. When we return to this Bill on Report, if amendments are put forward as they have been debated in this group, this side of the Committee will consider them very carefully for support. If my noble friend Lord Holmes puts forward amendments based on his current Amendments 38, 43 and 45A, the Official Opposition would certainly be there to support him.

There was a great deal of reference in the Minister's speech to private meetings he is having with Members of your Lordships' House and to the prospect of discussion and debate after the Bill is passed about statutory guidance. This will suit the Minister and the department, but we should say—I hope I can speak for every Member of the Committee—that we are here as Members of this House to hold the Government to account in this forum. If it is not possible for us to make progress with amendments in Committee, that is a further reason for saying that we will want them debated and passed on Report or even at Third Reading. Private meetings and promises of consideration when statutory guidance is produced are not enough. For the moment, I beg leave to withdraw my amendment.

Amendment 11 withdrawn.

Clause 11 agreed.

Amendments 12 to 20 not moved.

Clause 12: Socially necessary local services

Amendment 21

Moved by ***Baroness Pidgeon***

21: Clause 12, page 9, line 20, at end insert—

"(iv) health care services, including, but not limited to, hospitals or GP surgeries, or

(v) schools, and"

Member's explanatory statement

This amendment ensures that primary health care services are considered under the provisions of 'socially necessary routes'.

Baroness Pidgeon (LD): My Lords, I will also speak about Amendment 23. The new "socially necessary" routes clause is incredibly important in ensuring that bus services across the country provide services that meet the needs of local communities, rather than simply those which are profitable. Sadly, that has been the case outside London for decades since the deregulation of buses in the 1985 Act. We welcome this new clause but want to improve it through these amendments in two clear ways.

Amendment 21 would ensure that access to healthcare services, whether primary, such as GP or community, or acute, such as hospitals, are added to the locations that a local service must enable passengers to access alongside schools. We felt it was really important to

[Baroness Pidgeon]
pull out and add these specific services, as they are so important. I am really pleased that the noble Lord, Lord Hampton, has added his name to this amendment.

The need for children and teachers to have access to schools is obvious, but it should be a service that gets them to school on time. In Tonbridge in Kent, bus services have been cut so much that school bus services either drop children off far too early, leaving them hanging around the streets before school, or they arrive too late for school. This is unacceptable and impacts on children's education and safety.

Access to health services is fundamental to keeping communities healthy and fit. When someone is diagnosed with a condition or illness, they may require regular routine appointments at a range of health buildings, not just at the main hospital but right across the community. In rural areas, these can be spread out over some distance. It is therefore crucial that socially necessary services are explicit to ensure that patients can get to appointments at different health locations without having to rely on family or volunteers to drive them there and back. At Second Reading, I highlighted the situation in Fleet in Hampshire where there is no bus route to the local hospital from neighbouring areas, yet the hospital car park often experiences 45-minute queues. Our amendment aims to address these common concerns.

Amendment 23 seeks to clarify that the relevant local authority has a duty to implement a socially necessary service, as far as is reasonably practical, should alternative operators fail to do so, with provisions for financial support, if needed, and the possibility of transferring responsibility to an alternative operator once the service is established. We on these Benches felt that that was important, given that the Bill allows for a clear definition of socially necessary routes but gives no clarity on how these routes will be provided.

If, either through franchising or enhanced partnerships, it is proven impossible to secure a provider for a service, what happens? In many ways, this is a last-resort clause. We felt that it was important to ensure that such crucial services for communities are picked up and provided so, as part of this process, the local authority would establish the service itself and produce a report within six months that would set out details of the operation and whether the authority is unable to meet the financial cost of operating the service. This is where the new burdens doctrine would kick in, and thus the Secretary of State would have a duty to consider appropriate financial support to the local authority to ensure that the socially necessary service can be provided.

From talking to some of the larger operators, they make it clear that socially necessary services will be able to achieve the aim of protecting hard-to-serve areas only if that is underpinned by funding. I am sure that where franchising is used profitable routes will be franchised together with socially necessary services to ensure that a comprehensive bus service is provided overall. However, our amendment picks up those services that are not securing an operator to ensure that communities have access to essential services. I am pleased to note that Green Alliance supports of our amendments around socially necessary local services.

I hope that the Government will respond positively to these amendments, which seek to enhance the Bill. I beg to move.

Baroness Jones of Moulsecoomb (GP): My Lords, I shall speak to my Amendment 22, which is a delicate, small nudge that suggests that, if you are trying to replace bus services or create new ones, looking at previous scrapped bus routes might be a way forward because, presumably, they were the last to go. I do not live in a bus desert, but obviously a lot of people do so outside London. It is a sad state of affairs when people are forced to use their cars, as so many are in the countryside. Bringing back bus routes that existed and were clearly used before various cuts would make sense.

The CPRE report, *Every Village, Every Hour*, nearly four years ago, set out what a comprehensive bus network for England could look like and the scale of investment needed, which, of course, is a bargain in how much it benefits communities, social enterprise and so on. If the Minister has not read that report already, I suggest that he does so. I agreed also with the previous amendments.

Lord Hampton (CB): My Lords, I rise to speak briefly to Amendment 21 in the name of the noble Baroness, Lady Pidgeon, to which I was delighted to add my name. The noble Lord, Lord Moylan, criticised the Bill on the first day in Committee as being mildly nostalgic and backward-looking, a sort of return to the Attlee Government. I have quoted him so many times on this that I really need to start paying him royalties. However, I would like the Bill to be nostalgic and backward-looking. I would love it to go back to the pre-Beeching glory days when buses turned up on time with smiling children. I do not know whether that actually existed.

Baroness Jones of Moulsecoomb (GP): It did.

5 pm

Lord Hampton (CB): I will not comment on the noble Baroness's age. The Bill is an opportunity to help breathe life into rural areas, to get children on buses going to schools and to get people to hospital. We keep banging on about the elderly and people with disabilities who rely on buses to get to hospitals and GPs. This amendment and Amendment 49, which is not in this group, are absolutely right. I would like to hear how the Government are looking to regenerate areas of so-called social deprivation. I realise that, with bus companies, there is an issue with funding, but I am sure that it is not beyond the wit of mankind to work this one out.

Lord Holmes of Richmond (Con): My Lords, I rise briefly to support Amendment 22 in the name of my friend the noble Baroness, Lady Jones of Moulsecoomb. I do so because, in simple terms, it seems logical and sensible to go to what we could describe as the Beeching bus routes. They obviously had sense and users at the time. It seems a logical place to stop, alight from the vehicle and consider how they could be brought back into being. When the Minister responds, will he agree that when considering the cost of not having such bus

routes, that cost should be measured economically and also socially, environmentally and psychologically, not least the impact on the mental well-being of that local area?

Lord Moylan (Con): My Lords, in this group we are debating one of the principal means by which local transport authorities can intervene in existing provision in order to change it. They would change it by the use of socially necessary routes and networks. That potentially means that it has very powerful ripples in how the rest of the market operates.

I have a number of amendments in this group. In my Amendment 24, I take the opportunity to keep hammering away at demand-responsive transport as a potentially important way forward in trying to ensure that local transport authorities consider demand-responsive services, not simply fixed-route services, as means of meeting social necessity and social need. Again, this is an important point that is not mentioned elsewhere in the Bill, so I have inserted it here as a means of meeting social need, which it must be. Surely anyone who thinks about this for a moment must regard demand-responsive transport as simply being something that whoever drafted the Bill just forgot about. Anyone who understands transport and how it operates nowadays must realise that that has to have its place in the Bill, not least in relation to socially necessary routes.

My Amendment 25 considers a different angle and concerns competition in the market. How are the contracts for these socially necessary routes to be awarded, and to what extent will they effectively allow large operators to lever off existing resources to exclude smaller operators entering the market? No consideration is given to these market issues in the Bill. It is simply assumed that with the state in charge, everything will be absolutely fine. That might be so if you had a completely communist system where all the buses belonged to the Government and nobody was allowed to run a competing service, but that is not what we will have as a result of the Bill. We will have a mixed system, and the effects of the big beast, which is the state throwing itself around the room, on the rest of the market system need to be considered, and it seems that no thought has been given to them. This is one of the areas where those effects might be biggest.

My final amendment, Amendment 29, goes to the heart of the problem that this Bill presents us with, which is that socially necessary routes are possible only if somebody is going to pay for them, and there is no funding in this Bill. Of course, I would not expect a funding package to be in the Bill itself, nor am I proposing that one is inserted into it. My amendment does not do that, but it requires reports on the funding that is being made available for these socially necessary routes. The simple fact of the matter is that there is no promise of funding for this. The £1 billion that was allocated in the October Budget—£750 million to local authorities and £250 million directly to bus companies—is spent. A much larger amount is going to be needed if these provisions are going to have any real effect. Of course I know that a spending review is happening and that the Minister will not be able today to pre-empt it, but unless he addresses these issues head on and give some sense to the Committee and your Lordships' House on Report that there is real money behind this, he is simply holding out a bogus prospectus to the public. That is why I have tabled Amendment 29, so that the Government would be under an obligation to report on the money that they are making available to support socially necessary services. I think that is the heart of the whole thing in this group, and I hope that the Minister has more to say about it than he was able to say at Second Reading.

Lord Hendy of Richmond Hill (Lab): My Lords, I shall speak first to Amendments 26, 27 and 28, which have been tabled by the Government. A review of enhanced partnerships is under way and is due to conclude in the summer. The objective is to identify areas of improvement to deliver a better minimum standard of bus services across the country. Amendment 26 supports improvements to enhance partnerships designed to enable the enhanced partnership scheme to include a broader set of measures that are directed at improving services generally across the entire local area—for example, setting consistent reliability targets across the entire area rather than on specific routes.

Amendment 27 supports the improvement of enhanced partnerships and relates to situations where a local transport authority develops interventions, such as bus lanes and traffic light priority. Where these interventions result in direct and indirect savings to bus operators, it will now be possible for local transport authorities and operators to include measures in the enhanced partnership scheme requiring this additional revenue to be reinvested. This will support the delivery of the bus service improvement plan objectives and improvements for passengers and ensure that the reduction in operating costs is not entirely absorbed by bus operators as profit.

The Government's final amendment in this group is Amendment 28. Most enhanced partnerships have developed a bespoke variation process through which they can make changes to the scheme rather than rely on the variation process in the Transport Act 2000. However, there may be circumstances where this bespoke mechanism is not working for everyone. This amendment therefore provides local transport authorities with very limited circumstances where they can utilise the statutory variation provisions instead of the bespoke variation mechanism in the EP scheme to make changes to their scheme.

The purpose of this amendment is to allow local transport authorities to make an application to the Secretary of State when an operator is acting unreasonably and has objected to a proposed variation that would be made under an existing bespoke variation mechanism in an EP scheme. If on application by the local transport authority the Secretary of State is satisfied that the variation cannot be made, due to unreasonable or obstructive behaviour by one or more operators, or that the variation would benefit the people using the local services, they can direct the parties to follow the statutory variation process instead. The measure is designed to provide some protection to local transport authorities to deal with deadlocks in partnership negotiations and to enable changes to local services that are in the best interests of the people who use them.

[Lord Hendy of Richmond Hill]

Amendment 21 would alter the definition of socially necessary local services in the Bill to explicitly include entities that have a healthcare or educational aspect. I reassure noble Lords that the definition of "socially necessary local services" includes areas outside large towns and cities and that it includes local services that enable passengers to access essential goods and services. As such, the definition already encapsulates access to healthcare and schools, but I shall look further at what the noble Baroness has said on this matter.

I thank the noble Baroness, Lady Jones, supported by the noble Lord, Lord Holmes, for her Amendment 22, which looks back at services cancelled in the last 15 years to look at socially necessary services in the present and future. I recognise that there have been services recently discontinued that may be considered by a local transport authority as addressing the needs of some of the communities they serve. I shall take that away and look further at what we do in this respect.

Amendment 22A, tabled by the noble Lord, Lord Moylan, seeks to ensure that when a local transport authority provides a tendered service, it receives the same level of protection as a commercial service. On the assumption that the reference to tendered services refers to services subsidised by the local transport authority, these already receive the same level of protection as other commercial services under this measure. Clause 12 does not differentiate between a tendered service and one provided on a commercial basis. If a local service is considered to be a socially necessary local service, Clause 12 requires the local transport authority to list it in their enhanced partnership plans, irrespective of whether it is tendered or purely commercial. On this basis, the amendment is unnecessary.

I thank the noble Baroness, Lady Pidgeon, for Amendment 23. This would have the effect that, where a socially necessary local service has been cancelled, the local authority will step in to provide a service when another bus operator cannot be found. It also sets out the implementation steps once the local authority establishes a replacement service. I reassure the noble Baroness that under Clause 12 when an operator wishes to cancel or amend a service, they will need to consider alternatives to mitigate any adverse effects of changes to such services.

I point out that local transport authorities are already under a duty to secure public passenger transport services that they consider appropriate to meet the requirements of the area and which would not otherwise be met. This is likely to include socially necessary local services. Clause 12 should result in additional transparency by identifying the socially necessary local services in enhanced partnership areas. This will provide the Government with additional information to inform decision-making around funding for local bus services. Local transport authorities have the best understanding of the needs of their local communities. Any additional obligations introduced through legislation would place an undue burden on local authorities and undermine their independence.

I turn to Amendments 24, 25 and 29 tabled by the noble Lord, Lord Moylan. Amendment 24 proposes that demand responsive bus services be specifically considered as a measure for mitigating the possible adverse effects caused by the cancellation of a socially necessary local service. I consider that such considerations should be left to the local transport authority. The Bill sets out that enhanced partnership schemes must include requirements that apply when a socially necessary local service is cancelled or materially altered. These must include consideration of alternative options to mitigate the effects of a cancellation. This will include how demand-responsive bus services could be deployed.

The purpose of Amendment 25 of the noble Lord, Lord Moylan, is to ensure that local transport authorities have regard to maintaining a competitive market. I believe this amendment to be unnecessary because there are existing legislative protections that will ensure that local transport authorities sufficiently consider the impact of their actions under this measure on the market. The decision about how to manage the local network rightly rests with the local transport authority. In making decisions around what measures to include in their enhanced partnership, local transport authorities will need to consider impacts on competition. Existing legislation also requires LTAs to consult with the Competition and Markets Authority when varying their enhanced partnership under the new clause. If the local transport authorities were to decide to set up a local authority-owned bus company or provide service subsidies to fill a service gap, there are wider legislative and regulatory frameworks that will apply and are sufficient.

5.15 pm

Finally, Amendment 29 of the noble Lord, Lord Moylan, recognises that it is important that local transport authorities know how much funding from central government is available to them and the criteria for its use. Funding allocations are already a matter of public record, and the noble Lord will recall that we have debated the criteria under which government applies funding to all local transport authorities, for the first time for buses, with more flexibility than previously allowed in how to spend the money. The Bill is all about giving local transport authorities choices, and this includes greater flexibility to develop a bus grant and allocate it where it feels it is best needed. This is the intention behind Clause 16.

The noble Lord is right, of course, that future funding will be determined through the spending review process, but, as remarked previously, the Government are keen to ensure that local transport authorities have the ability to look forward and, hence, give a more stable funding scenario for local bus services than has applied in recent times.

Baroness Pidgeon (LD): I thank the Minister for his response and for the fact that he said he would look further at the detail in Amendment 21. On that basis, I hope we can meet to tease out some of those details, and I therefore withdraw Amendment 21.

Amendment 21 withdrawn.

Amendments 22 to 25 not moved.

Clause 12 agreed.

Amendments 26 to 28

Moved by ***Lord Hendy of Richmond Hill***

26: After Clause 12, insert the following new Clause—

"Measures specified in schemes

(1) The Transport Act 2000 is amended as follows.

(2) In section 138A(6)(b) (contents of schemes), for the words from "routes in" to "local services" substitute "local services in the whole or part of that area".

(3) In section 138D(2)(a) (measures specified in scheme), omit "serving the routes" (in both places)."

Member's explanatory statement

This amendment widens the measures that can be taken by a local transport authority under an enhanced partnership scheme so that they can relate to any local services in the area concerned.

27: After Clause 12, insert the following new Clause—

"Passenger benefit requirement

In section 138C of the Transport Act 2000 (requirements in respect of local services), for subsection (9) substitute—

"(9) The requirements that may be specified in an enhanced partnership scheme also include requirements—

(a) as to operators of local services establishing and operating arrangements that facilitate the operation of the scheme;

(b) that persons using local services in the area to which the scheme relates benefit from any reduction in the cost of operating those services that results from facilities provided or measures taken by—

(i) the Secretary of State,

(ii) a local transport authority, or

(iii) any other person exercising functions of a public nature.""

Member's explanatory statement

This amendment allows an enhanced partnership scheme to require bus operators to provide benefits to bus passengers in return for public expenditure on facilities or measures that will reduce operating costs.

28: After Clause 12, insert the following new Clause—

"Variation of schemes

After section 138K of the Transport Act 2000 insert—

"138KA Variation where scheme includes provision under section 138E

(1) A variation of an enhanced partnership scheme may not be made under section 138K in a case to which subsection (2) of this section applies unless—

(a) the Secretary of State has directed the authority or authorities concerned to make the variation, or

(b) the variation is one that the authority or authorities are required to make by

section 12(4)(b) of the Bus Services (No. 2) Act 2025.

(2) This subsection applies to any case specified in the scheme as one in which the scheme may be varied in accordance with the scheme (see section 138E).

(3) The Secretary of State may give a direction under this section only if, on an application made by the authority or authorities, the Secretary of State is satisfied that—

(a) the variation cannot be made in accordance with the scheme because of unreasonable or obstructive behaviour by one or more operators of local services, or

(b) persons using local services in the area to which the scheme as varied will relate will benefit from the variation of the scheme.

(4) A direction under this section does not affect the application of the other requirements that must be met before the scheme can be varied under section 138K.""

Member's explanatory statement

This amendment provides that where an enhanced partnership scheme can be varied in accordance with the scheme, a variation can be made under section 138K only where the Secretary of State is satisfied that operators have behaved unreasonably or obstructively or that the variation or revocation will benefit users of local services.

Amendments 26 to 28 agreed.

Amendment 29 not moved.

Clauses 13 to 15 agreed.

Clause 16: Grants

Amendments 30 to 33 not moved.

Clause 16 agreed.

Clause 17 agreed.

Clause 18: Information about local services

Debate on whether Clause 18 should stand part of the Bill.

Lord Moylan (Con): My Lords, I move that Clause 18 do not stand part of the Bill. I also wish to move that Clause 19 do not stand part of the Bill and, with your Lordships' permission, I will speak briefly to both clause stand part notices at the same time and once only.

Clauses 18 and 19 are concerned with information that is to be extracted from local transport authorities but also from bus operating companies. I am perfectly happy with the notion that we should try to have as much information in the public domain as possible, and of course I do not intend—as I think noble Lords will understand—that these clauses should disappear entirely. This is a probing amendment, so to speak, to try to find out exactly what the Government think they are doing in this regard. I will speak very briefly to them.

First, quite a lot of the information being sought here, not least on the costs of particular routes and the revenues per route, would be commercially sensitive and belong to a particular company. The fact that Clause 19 allows that to be published in the name of the company is significant. These companies may well be operating a route for a particular local transport authority and another route in an adjacent area, very close by, in an entirely commercial sense. The information sought of them can have real commercial consequences. Nothing here assures me that the Government are respecting companies' entitlement to have their commercial information protected in what they propose.

There are some difficulties in requiring this information. Having had a long association with the board of Transport for London, I am trying to think of a bus route in London where TfL could produce its cost and

[Lord Moylan]
the revenue from it just like that. That is not entirely how bus services operate normally. Perhaps revenues do, but costs come down to a lot of questions about allocations that can be highly contentious.

Quite apart from the difficulty of extracting this information, the main purpose in these two Motions that the clauses do not stand part of the Bill relates to the protection of commercial confidentiality, to which private companies are entitled. There are circumstances in which one can imagine private companies choosing not to bid because their existing business would be threatened by the information they would be required to produce about particular routes. It is important that the Government should be clear about their intentions, what they expect and how they will protect that information, before we proceed with these clauses as drafted.

Baroness Pidgeon (LD): I was rather surprised to see these latest amendments, which seek to remove whole clauses from the Bill.

Lord Moylan (Con): They are probing.

Baroness Pidgeon (LD): If I can continue without being heckled, I am assured that they are probing and that the noble Lord does not want to see these clauses completely removed. He has raised an interesting point about commercially sensitive data. As we know, in running a transport network, data and information are absolutely crucial and transparency is key. All this helps us improve services, so I will be interested to hear the Minister's response, particularly around commercial sensitivity.

Lord Hendy of Richmond Hill (Lab): My Lords, I will respond to the noble Lord, Lord Moylan, and the noble Baroness, Lady Pidgeon, on Clauses 18 and 19.

On Clause 18, there is currently no one single source of information for passengers about bus service registrations or similar information about services that operate outside traffic commissioner-administered areas. Information on local bus services is fragmented, and this clause seeks to improve this state of affairs. As such, it enables the Secretary of State to make regulations requiring franchising authorities to submit information about services operating in their areas. This information will be similar to that provided on the registration of a service with the traffic commissioner, and it will be provided to the Secretary of State.

Together with Clause 17, Clause 18 lays the groundwork for a new central database of registration information, bus open data and information about services operating outside traffic commissioner-administered areas. This will provide passengers with a single source of information about local services. It is important to clarify that this provision does not reinstate the requirement for franchised services to be registered with a traffic commissioner. Rather, it provides the power to require franchising authorities to provide information to the Secretary of State, thereby enabling its inclusion in the new central database.

In addition, Clause 18 broadens the categories of data that the Secretary of State may collect regarding local services and the vehicles used to operate them. This power extends to gathering information from franchising authorities concerning franchised services and allows the department to collect additional data aimed at improving transparency within the sector. It might be said that the clause would answer the earlier intervention from the noble Baroness, Lady Brinton, about whether all buses actually conform to the PSVAR regulations and, therefore, it would be useful in that respect, too.

Crucially, Clause 18 also empowers the Secretary of State to collect data that will support the monitoring of local service operator performance and assist in the effective exercise of ministerial functions. That might include, for example, information relating to the costs associated with operating a service and the number of staff involved in its operation. I hope that explanation is sufficient to allow the noble Lord, Lord Moylan, to withdraw his opposition to the inclusion of the clause.

On the noble Lord's opposition to the inclusion of Clause 19, the clause works in tandem with Clause 18 to support greater public transparency, and thus accountability, over local bus services. While Clause 18, in part, provides for greater information collection going forward, Clause 19 ensures that equivalent historical information already held by the department can be published. The clause achieves this by amending the Statistics of Trade Act 1947 to insert two new sections to enable the publication of existing operator-level bus data. It also provides for the Secretary of State to give notice to industry prior to the publication of such data.

Section 9 of the Statistics of Trade Act requires the consent of individual undertakings before information identifying them can be published. The newly inserted Section 9B disapplies Section 9 of the 1947 Act in relation to information about relevant local services that has been collected under Section 1 of that Act from PSV operators' licence holders, or their representatives. This disapplication applies during a qualifying period, beginning on 1 May 2015 and lasting until the day when this clause of the Bill comes into force. Disapplying the requirements in Section 9 will allow the department to publish operator-level information collected during the qualifying period, even in cases where consent cannot reasonably be obtained from the large number of individual operators concerned. That point is crucial. The requirement to obtain consent from each individual operator would result in inconsistent data provision. This, in turn, would mean some communities not having access to the same level of information about local bus services as others, or indeed equivalent information for all services within a single community.

The newly inserted Section 9C requires the Secretary of State to publish a notice specifying the information intended for publication at least 30 days in advance, and further details the locations where such notices must be published. These provisions will enable the timely and transparent publication of operator-level bus data, improving access to information while maintaining appropriate safeguards.

Although the noble Lord, Lord Moylan, is of course right that in a commercial undertaking, this information might be considered commercially confidential, it is also essential for the local transport authority representing the users of these services to be able to access such information in order correctly to plan bus services in

their areas, for the benefit of all the people who live there. That is the justification for this clause, so I hope he will accept it and withdraw his opposition to it.

Lord Moylan (Con): I did not hear anything in what the Minister said that remotely addressed the question of commercial confidentiality. The practical effect of this Bill is likely to be that some areas, possibly quite few, take up franchising as an option, while others continue with enhanced bus partnerships. One or two may even set up a municipal bus company, although I doubt whether many will. The fact is that a great part of the bus services provided in this country will continue to be provided by private companies, very often on a commercial basis. The Government's whole strategy depends on a healthy, prosperous, well-functioning private sector being able to continue. To treat it in this way, as if its commercial considerations were an afterthought, bodes very ill for the way the Government are approaching this topic.

5.30 pm

Lord Goddard of Stockport (LD): I think the noble Lord, Lord Moylan, is missing the point slightly. We talk about who is running the buses; people who see the way that Bee Network buses are run in Greater Manchester will unlock the questions that the noble Lord is asking. How do we get to rural routes? How do we cover the distances to schools? How do we go where the privatised bus companies will not, because the profit is not there? Where do you find the money to fill those gaps to make those routes work?

If you bring the buses under your control, the profit that would go to big companies is reinvested. That then funds rural routes and routes to hospitals and schools and for the disadvantaged. It is a simple mathematical thing: instead of putting profits in the hands of shareholders, you put them in the hands of local authorities, which can then do exactly as the noble Lord wants, which is to run the buses profitably.

It is a myth—people have seen what has happened in Greater Manchester and will happen in Yorkshire and other areas—that a transport authority with very little vision will decide that it is easier to go its own way than to deliver what is clearly a better, more punctual service, with better public satisfaction and cheaper fares. Those are the benefits of going down the road that we have taken in Manchester, and I hope the Bill enables other transport authorities to partake of it.

Lord Moylan (Con): My Lords, I beg the Committee's indulgence for a moment to respond to that magnificent expostulation of a classic Marxian view of the world. It is very hard to see how the noble Lord has found himself on the Liberal Democrat Benches when he believes that one has just to eliminate the profit for the surplus released to pay for everything you might want. The truth is that you need an awful lot of subsidy to run socially necessary services to places that have insufficient passengers to justify commercial services. Those subsidies are necessary, whether you release the modest profits that bus companies make or not.

Most of the country relies on private bus operators. Manchester is a special case because of the density of the population. We rely on private bus services and those companies need to flourish. The Government are not remotely thinking about their interests; they are an afterthought. It bodes very ill for the future of bus services in this country that the Government are so inconsiderate of them.

Lord Hendy of Richmond Hill (Lab): My Lords, I feel compelled to respond to the last point.

Lord Moylan (Con): The noble Lord has not finished his speech yet.

Lord Hendy of Richmond Hill (Lab): I will finish it by feeling compelled to respond to the last two interventions. The noble Lord, Lord Moylan, referred to his doubt that you could see the cost and revenue for each bus service in London; I beg to differ, because I was responsible for running the thing for 15 years. I absolutely assure him that we knew, to the nearest penny, the revenue and cost allocation for all the routes. That enabled us to provide a broadly acceptable service, in very different circumstances, over the considerably varied area of Greater London.

I also assure the noble Lord that that knowledge is collected by any responsible bus operator in the rest of Britain. The point is that it ought to be available to local transport authorities which are keen to offer comprehensive bus services in circumstances where a number of bus operators do so. Many of them are not competed against by others, because they cannot match their comprehensive standards. That means that the local transport authority does not have the information to understand what might be substituted in its place for communities that have a very poor service.

I defend both these clauses very strongly. I think good information about this is absolutely necessary. This is not about selling biscuits or buckets; it is about providing public services for people in this country who wish to go about their business and go to work, school, hospitals and other places.

Clause 18 agreed.

Clause 19: Information obtained under Statistics of Trade Act 1947

Clause 19 agreed.

Clause 20 agreed.

Clause 21: Local transport authority byelaws

Amendment 34 not moved.

Clause 21 agreed.

Clause 22: Safety and accessibility of stopping places

Amendments 35 to 43 not moved.

Amendments 44 and 45

Moved by ***Lord Hendy of Richmond Hill***

44: Clause 22, page 24, line 22, leave out from "assist" to "at" in line 23 and insert "with the positioning of a public service vehicle being used to provide a local service"

Member's explanatory statement

This amendment amends the definition of "facilities" so that it captures facilities provided to assist with the positioning of both automated and non-automated public service vehicles.

45: Clause 22, page 24, line 27, at end insert—

""public service vehicle" has the same meaning as in the Public Passenger Vehicles Act 1981 (see section 1 of that Act);"

Member's explanatory statement

This amendment inserts a definition of "public service vehicle" into the clause.

Amendments 44 and 45 agreed.

Clause 22, as amended, agreed.

Amendment 45A not moved.

Clause 23 agreed.

Clause 24: Training about crime and anti-social behaviour

Amendment 46 not moved.

Debate on whether Clause 24 should stand part of the Bill.

Lord Moylan (Con): My Lords, at Second Reading I expressed very serious concerns about part of Clause 24. In opposing the clause standing part of the Bill, my approach has been not to rewrite what the Government have proposed in the Bill—and therefore to provide them with an alternative policy—but to ask them seriously to consider and explain their current policy as it stands in the Bill. To that extent, this is like my previous clause stand part probing notices. But, on this particular issue, it is very clear that we are likely to come back on Report with specific amendments to change the text of the Bill, unless we hear something that explains it more satisfactorily than it has been so far.

My understanding is that Clause 24 inserts into the Transport Act 2000 a new obligation on the holders of PSV operators' licences in relation to training. I have no objection at all to the idea that there should be an obligation to train staff, and I have no objection to Clause 25, which has a similar sort of effect but relates to training about disability. All of that is to the good.

My specific concern is with subsection (2) of what would be new Section 144F in the Transport Act 2000, where the training requirement under consideration is specified as:

"the person has completed training the aim of which is to assist the person to identify, respond appropriately to and, where possible, prevent … criminal offences that would cause a victim or potential victim of the offence to fear for their personal safety"—

that, after all, is a large number of criminal offences—

"and … anti-social behaviour, within the meaning given by … the Anti-social Behaviour Act 2003".

The person to whom this is directed can be only the driver of the bus, as buses run with one person operating them almost exclusively in this country. So the driver of the bus is expected to be trained, and the public are encouraged to think that the driver of the bus will be trained, to a point where they can

"identify, respond appropriately to and, where possible, prevent … criminal offences … and … anti-social behaviour".

That potentially places a burden on bus drivers that is wholly inappropriate, given their role and their salary, and given that they will almost certainly be on their own on that bus when something happens. Many of the incidents that one can easily envisage would be encompassed by this training would be incidents that, as I said at Second Reading, the Metropolitan Police Force or another police force would respond to with one, two or three uniformed officers. Yet the implication is that a bus driver on their own will be able to

"identify, respond appropriately to and, where possible, prevent … criminal offences … and … anti-social behaviour".

The Minister well understands bus operations—that goes without saying—more perhaps than any other Minister who might come here would understand them, but he cannot seriously mean what it says in the Bill. It is possible that he will say, "Oh no, you must misunderstand—when we talk about training and identifying, that is all really so that the drivers know how to report it to the appropriate people". They have radios and they can communicate to their higher operator and the police, and things like that—and that is the appropriate response that we would be talking about here. But that is not what the words say; they say "where possible, prevent", which goes a great deal beyond simply telling a bus driver to operate responsibly and take note of what is going on.

I am utterly baffled by what the Government are considering here, how it would work in practice and how these words are appropriate in this Bill. Something should and could be included, I agree, about training drivers so that they can identify, respond to and take account of this sort of behaviour, which is sadly all too common on buses nowadays. But the words as they stand put bus drivers in a completely impossible position. Apart from anything else, it would make recruitment very difficult indeed.

Lord Hampton (CB): I have had conversations with bus operators and bus drivers, who are very worried about this issue. Bus drivers tell me that the very act of opening a door to walk out and face a passenger is seen as aggressive. The noble Lord, Lord Moylan, is absolutely correct on this one.

Lord Hendy of Richmond Hill (Lab): I should say to the noble Lord, Lord Moylan, that I completely agree with his sentiment, but I think that he has misunderstood what this clause seeks to achieve. There is absolutely no intention whatever that, as a result of this clause, drivers or other staff should be asked to put themselves at risk.

5.45 pm

There are two sorts of actions you can take in circumstances in which criminal acts and anti-social behaviour are about to take place, are taking place or have taken place. The clause responds to recent research undertaken by the department, which found that one-third of public transport users had witnessed assaults or harassment while travelling, and around one in five had been physically or verbally assaulted or harassed. That is completely unacceptable.

There are two sorts of actions that a bus driver can take. First, in appropriate circumstances, while remaining safe in the cab and not getting out—and I agree that is

entirely the wrong thing to do, as is a standard part of bus driver training—there are things you can say and do which may help deflect or modify others' behaviour on the bus. One of the intentions of this clause is to equip drivers with the understanding of what to say when that might happen in order that, if it works, a situation is defused.

The second action is about reporting it, particularly reporting it in real-time so that the appropriate help can be summoned. I can speak about this from personal knowledge, because it is only at the end of last summer that I did my five-day Driver Certificate of Professional Competence training with a number of other drivers online, as is the modern way. We had a long and very interesting discussion about what should be done when these things happen. Some drivers thought that the only thing they needed to do was to report it after it occurred, when actually they are equipped to intervene—not physically—at the time when it is occurring. This is making it clear that such training as is necessary ought to be given to drivers so they all know consistently what should be done in these circumstances. I strongly believe it is a good thing to do.

The noble Baroness, Lady Pidgeon, referred earlier to some training she had witnessed which was not very satisfactory. The last set of training that I did was extremely satisfactory, and it was very interesting to discuss with bus drivers, who had either experienced threats of violence themselves or had it on their bus, what should be done. It was interesting how great a variation there was in what they thought they should do. Some drivers thought the best method was to keep well out of the way—do nothing and say nothing. That is not satisfactory for bus passengers.

While it is possible to draw the wrong conclusions from this clause, the right conclusion is to have proper guidance about the right training so that all bus drivers can be properly equipped to know what they can do safely for themselves and others in these circumstances. There is such training available—I have had some—but it is not consistently available across the country, and this clause seeks to make it so.

Lord Moylan (Con): The Minister suggested that I had misunderstood the clause and then gave an explanation of it that sounds very reasonable—and one could probably go along with it. The reason why I have misunderstood the clause is, quite frankly, that it does not say in words in the Bill what the noble Lord said. For example, there is no consideration given to telling the driver to conduct himself safely. The words could be quite easily amended to express what the Minister said, which is what this particular paragraph does not do.

I hope that the Minister will feel able to indicate on Report either that the Government will table new wording that will express what he just said much better—I think that would be the better option—or that he would be willing to accept wording drafted by the Opposition that sought to do the same thing. It would be better if the Government came forward with their own wording. It cannot be accepted that this wording stands in the Bill when the interpretation of what it means is so very different from what might be called the natural language interpretation of what stands here.

Clause 24 agreed.

Clauses 25 and 26 agreed.

Clause 27: Use of zero-emission vehicles for registered local services in England

Amendment 47

Moved by ***Lord Moylan***

47: Clause 27, page 29, line 36, at end insert—

"(4A) Local transport authorities must ensure that, in the implementation of this section—

(a) the availability, affordability, and reliability of local passenger transport services are not adversely affected,

(b) passengers in all areas, including rural and underserved regions, continue to have access to essential services, and

(c) sufficient support is provided to bus operators to enable compliance with zero-emission requirements while maintaining service quality.

(4B) Before implementing any changes to local service provision under this section, local transport authorities must—

(a) assess the potential impact of such changes on passenger services, and

(b) consult with operators, passenger groups, and other relevant stakeholders to ensure minimal disruption to service accessibility and affordability."

Member's explanatory statement

This amendment places a duty on local transport authorities to ensure that the transition to zero-emission vehicles does not compromise passenger service availability, reliability, or affordability. It also requires LTAs to consult stakeholders and assess the impact of such changes.

Lord Moylan (Con): My Lords, a small number of amendments here in my name relate to zero-emission buses. I am concerned that the requirement for them is being imposed with excessive harshness and cliff-edge characteristics upon the bus industry. Amendment 47A, which I will talk about first, creates a form of exemption—a continuation that local transport authorities can put in place, particularly for rural services and in locations where battery-powered buses would be inappropriate because the distance that the rural service is running might be more than it could sustain. Generally, it might be appropriate in some rural areas to continue running diesel or hybrid buses for a further period beyond the cut-off that the Government envisage. That would be a relaxation of the requirement and would be welcomed in many parts of the country.

Amendment 47 provides a similar consideration on a broader basis—again, I am not being excessively harsh about all this. Amendment 48A requires the Government to justify their policy on public health grounds by publishing data in relation to the sorts of improvements—particularly air-quality and noise-pollution improvements—that they expect to achieve, for the travelling public and local people, with the changes that they envisage in relation to net-zero buses.

It would be helpful if the Government could take an approach that was a little less ideological and more tailored to what might suit particular areas and populations. I beg to move.

Baroness Pidgeon (LD): Amendment 48 is a small but important amendment picking up on a potential anomaly within the Bill. It is something that Baroness Randerson flagged with us before Christmas. The Bill is clear that it wants to see cleaner zero-emission buses providing bus services across the country, and that is something that I would have thought the majority of noble Lords would support. However, this requirement does not seem to cover mayoral combined authorities. This amendment, therefore, seeks clarification from the Government on whether the provisions of new Section 151A on zero-emissions vehicles also apply to mayoral combined authorities. If not, this amendment should be agreed to ensure that every authority is covered.

Transport is a significant contributor to pollution in the UK. In 2021, transport was responsible for producing 26% of the UK's total greenhouse gas emissions, and the majority of those emissions come from road vehicles, which account for 91% of domestic transport emissions. Getting more cars off the road and more people using quality bus services is essential, as is ensuring that those bus services are as environmentally friendly and zero-emission as possible. I hope that the Minister can provide clarity in this area and put on record today clarification about the subsection at the bottom of page 29, which states:

"The date specified under subsection (2)(b) may not be before 1 January 2030".

Those I have been talking to in the bus industry are concerned and I think are misunderstanding what is meant by this. Some clarity on the record would be helpful for all concerned.

Lord Hendy of Richmond Hill (Lab): My Lords, these amendments cover zero-emission buses, as the noble Lord, Lord Moylan, and the noble Baroness, Lady Pidgeon, have rightly said. The restriction on the use of new non-zero emission buses will not take effect any earlier than 1 January 2030, but the clause places a restriction on the use only of new buses. The noble Baroness is right to raise this issue; I myself have heard some misapprehension about what this actually means. It is about new vehicles, and the flexibility to determine when to replace diesel buses with new electric buses will remain, because if the date were to be 1 January 2030, all vehicles in service on 31 December 2029 would be able to carry on in service.

I will shorten the speech I have been given because it replicates some arguments about the use of electric vehicles, but it is common ground between all those who have spoken on this issue today that the operation of zero-emission buses is a really good thing. I do not think we need a complete assessment from local transport authorities. The important point that the noble Lord, Lord Moylan, made is that there are circumstances in which there can be some further exemptions. In fact, the Bill already provides for the Secretary of State exempting certain vehicle types or routes from the restriction. That is the proposed amendment to the Transport Act 2000, new Section 151A (3)(c), which states:

"The Secretary of State may by regulations … specify local services or descriptions of local service in relation to which subsection (1) does not apply".

There is a considerable flexibility here, in particular the recognition that there may still be services where zero-emission buses at the date at which the Secretary of State sets may not for some reason be capable of operation. However, I hope the noble Lord recognises, as I think the noble Baroness, Lady Pidgeon, does, that this is generally seeking to do the right thing in respect of air quality and local bus services.

Amendment 48, tabled by the noble Baroness, Lady Pidgeon, probes the scope of Clause 27. I understand and am sympathetic to the concerns she raises. The clause will apply to mayoral combined authorities but as drafted, it will not apply to franchised bus services within such areas. I offer assurance that the Government are actively looking into potential options to address this. I hope to return on Report with an update and, were I to need to speak to the noble Baroness, I hope she would be happy if I did so.

Lord Moylan (Con): I am grateful to the Minister for his remarks, and I am glad he acknowledged that there are areas of concern. We may want to return to this, but for the moment, I beg leave to withdraw the amendment.

Amendment 47 withdrawn.

Amendments 47A to 48A not moved.

Clause 27 agreed.

Committee adjourned at 5.59 pm.