Vol. 824
No. 43

Tuesday
6 September 2022

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

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

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

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House of Lords

Tuesday 6 September 2022

2.30 pm

Prayers—read by the Lord Bishop of Oxford.

Repatriation of Cultural Objects
Question

2.37 pm

Asked by ***Lord Bassam of Brighton***

To ask Her Majesty's Government what further consideration they have given to the repatriation of cultural objects to their places of origin given the decision of the Horniman Museum to return its collection of Benin Bronzes to Nigeria.

Lord Bassam of Brighton (Lab): My Lords, in begging leave to ask the Question standing in my name on the Order Paper, I declare my interest on the register as a trustee of the People's History Museum and the Royal Pavilion and Museums Trust.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, museums and galleries in England operate independently of government. Some national museums are prevented by law from deaccessioning items in their collection, with some narrow exceptions. The Horniman Museum is not subject to such legislation so this was a decision for its trustees, but I know that they went about their decision with appropriate care and consideration. Arts Council England has published a practical guide for museums in England to help them in approaching this issue more generally.

Lord Bassam of Brighton (Lab): My Lords, I congratulate the Horniman Museum on being made the Art Fund's museum of the year back in July. The unanimous decision of the museum's board to return ownership of 72 artefacts to Nigeria has been hailed as "immensely significant"—a view that I share. Given that the organisation receives DCMS funding, what discussions, if any, did the Horniman have with DCMS prior to making this decision, and should we take this as evidence of a shift in government policy on the future of cultural objects acquired through force? I note that George Osborne, chair of the British Museum, said recently in relation to the Parthenon sculptures that there was a "deal to be done".

Lord Parkinson of Whitley Bay (Con): My Lords, I echo the noble Lord's congratulations to the Horniman on its accolade as museum of the year and, indeed, to the People's History Museum, which was shortlisted and narrowly lost out. As I said, the Horniman Museum is not prohibited in law from taking the decision. The trustees let us know that they had been approached with a request for restitution; I am satisfied that they went about it in a thoughtful manner, in accordance with their guidance. Separate guidance has been published by Arts Council England to inform deliberations by other museums but this does not have any implications for wider positions, particularly in relation to the barrier in law to deaccessioning.

Lord Kirkhope of Harrogate (Con): My Lords, I do not wish to be churlish but I really must bring my noble friend's attention to when this Question was raised previously and my own contribution. I asked at that time what negotiations or discussions were to take place between the Government represented by my noble friend and the Government of Denmark about the large amount of silver and other valuables that were looted, particularly from the east coast of this country, in history. Can he guarantee that, if discussions are to take place in this area, he will also be looking to bring back to this country that which is ours?

Lord Parkinson of Whitley Bay (Con): Again, my noble friend makes an important point. The reason that we have a legal bar on deaccessioning is to protect our national collection so that people—both those from the UK and the many visitors from around the world who come to our excellent museums—are able to see items from across human civilisation and see them in the great sweep of that wide context. Often, the debate about where things are physically located obstructs the more important purpose of museums, which is to continue to educate and inform people about items; that matters wherever they are. In the case of the Horniman Museum, the items that it has transferred legal title of will remain at the Horniman Museum for the foreseeable future.

The Earl of Clancarty (CB): My Lords, public opinion has changed considerably on this issue in the past few years. With regard to the national museums, should the Government not now consider it a duty to change the appropriate legislation—the British Museum Act and the National Heritage Act—to allow the British Museum in particular to come to a decision on these matters? Otherwise, its hands will remain tied, and that is surely unacceptable.

Lord Parkinson of Whitley Bay (Con): My Lords, I am mindful that I am as old as the National Heritage Act so I am always happy to discuss, as I do, with people in the sector their views on it. I do not think there is a case for further changes to the law. There are already exceptions to do with the spoliation of items acquired during the Third Reich and to deal with human remains that are less than 1,000 years old. I think the position that we have is the right one at the moment but I am always happy to hear representations.

Lord McNally (LD): My Lords, the Minister has twice cited those Acts in defence. Surely there is a case for looking at them and how restrictive they are in modern times. Of course, not all artefacts can be returned to their place of origin, but can your Lordships imagine the queues at the British Museum to look at a

[Lord McNally]
3D replica of the Parthenon marbles, along with a history of where they came from and how they were looked after by the British Museum and then returned to their rightful place in Athens?

Lord Parkinson of Whitley Bay (Con): The British Museum has worked with the Acropolis Museum to allow for replicas to be made there and for the Acropolis Museum to show the sculptures. Of the half that remain in existence, half are in the Acropolis Museum, but there are also items in the Louvre, the Vatican and other museums around the world. The British Museum and many other museums work in partnership with museums around the world to lend items in order to extend our knowledge about them, and that is the purpose of our great museums.

Lord Dubs (Lab): My Lords, I cannot resist commenting on the Minister saying that old legislation prevents the Government doing anything. Surely we can change the legislation. Where there are important historical reasons and an artefact is particularly valuable to a country such as Greece, surely that is so exceptional that we should consider its return. Of course, we cannot return most artefacts but, where they are so significant and where they are part of an entity, surely we should think again.

Lord Parkinson of Whitley Bay (Con): The legislation does not prohibit museums such as the British Museum working in partnership with museums around the world. I note that it has talked about a Parthenon partnership with the Acropolis Museum, and we welcome the discussions that the British Museum wants to have there. It has always said that if the ownership of the sculptures was acknowledged. it would be willing to discuss loans, as it has loaned those items to other museums around the world in the past and does so with many other items to organisations around the world on a regular basis.

Lord Cormack (Con): My Lords, does my noble friend accept that many of us feel it would be wrong for the Government to usurp the function of trustees? In view of what Mr George Osborne has said recently, it seems that sensible discussions are taking place, but we should also not forget that the British Museum and all our great national museums regularly lend their objects and artefacts not only around the world but particularly within this country. We in Lincoln have been the beneficiary of many wonderful loans in recent years.

Lord Parkinson of Whitley Bay (Con): My noble friend makes an important point. I believe that before the pandemic the British Museum was loaning some 4,000 objects per year to museums around the world. They were also shared with people across the UK, which is exactly what we like to see.

Lord Singh of Wimbledon (CB): My Lords, as an interim measure until we have some consensus on this issue, does the Minister agree that we should have a little plaque at the bottom of each article emphasising or explaining from where and how the item was looted?

Lord Parkinson of Whitley Bay (Con): My Lords, many museums do that; it is the job of museums to explain the context of items. In my experience, museums are very keen to continue filling in that, in all its complexity. In the case of the Benin bronzes, which were taken in a raid in February 1897, it points out the role of the British Empire at the time. I should also point out that that raid brought about the end of slavery in Benin, showing the full complexity of matters in the past.

Baroness Jones of Moulsecoomb (GP): My Lords, as an ex-archaeologist, I would like to point out that we do not own the Elgin marbles. I thought that Lord Elgin paid for them, but apparently there is no proof of that, so they are looted. It is a national embarrassment. I was in Greece this summer and saw the Parthenon and there is a vast gap where the marbles should be. It is time to send them back.

Lord Parkinson of Whitley Bay (Con): My Lords, as I have said in response to previous questions on the matter, the Acropolis Museum is a marvellous museum where you are able to see the Parthenon in the background. However, more people see the Parthenon sculptures in the British Museum annually within a great sweep of human civilisation. They were legally acquired by the museum in 1801 and the trustees are right in their assertion of that fact.

Baroness McIntosh of Hudnall (Lab): My Lords, the Minister has rightly said that it is the job of museums to look after whatever is currently in their care, and to make sure that items are displayed appropriately and looked after for the future. Is he confident, given the parlous state of the finances of many of those museums, that they will in future be in a position to do what they are there to do?

Lord Parkinson of Whitley Bay (Con): My Lords, through things such as the museum estate and development fund and DCMS Wolfson grants, the Government provide grants to museums to ensure that they continue to be able to house, look after and share the items in their care with audiences not just in the UK but around the world.

Low-Income Families: Energy Cost Support

Question

2.47 pm

Asked by ***Lord Wood of Anfield***

To ask Her Majesty's Government what further support they plan to provide for low-income families who do not pay income tax, to help meet their rising energy costs.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): My Lords, we are making necessary preparations to ensure that a new Government will have options to

deliver additional support as quickly as possible. Further to the support measures announced in May, the Government will of course continue to support low-income and fuel-poor households with their energy bills through the warm home discount, winter fuel payments and the cold weather payments scheme to ensure that the most vulnerable are better able to heat their homes over the cold winter months.

Lord Wood of Anfield (Lab): My Lords, the incoming Prime Minister spent the summer repeatedly pledging income tax cuts, yet 43% of adults, including those in the greatest need, pay no income tax and would not benefit from this. Meanwhile, her pledge to reverse the national insurance rise will give the poorest 10% of households £7.60 per year and the richest 10% £1,800 per year. When asked about this, the new Prime Minister said,

"to look at everything through the lens of redistribution … is wrong".

Does the Minister think it fair at a time of such widespread fear among low-income households to prioritise income tax cuts that would give the most frightened families no help whatsoever?

Lord Callanan (Con): The noble Lord is commenting on proposals that he has not yet seen. The House will not have long to wait, and a lot of options have been worked on over the summer. As well as putting preparations in place for the Energy Bills Support Scheme, which I remind the House will be rolled out from 1 October in a series of monthly payments, other options have been prepared. The energy price rise is unprecedented, and we all know the reasons for that. The noble Lord will have to be patient and wait and see what we announce.

Lord Forsyth of Drumlean (Con): My Lords, does my noble friend not agree that the reason why 46% do not pay income tax is that this Government have raised their thresholds? If it was right to pay an extra £20 in universal credit during lockdown, when circumstances were bad—they are considerably worse now—should we not look to increase universal credit payments on a temporary basis?

Lord Callanan (Con): My noble friend makes powerful points on both the issues that he raises. Of course, we should be proud of our record in taking the lowest paid out of income tax altogether, but I am sure that the new PM will want to bear my noble friend's words in mind.

Lord Addington (LD): My Lords, if we are going to give these assistance packages, would it not be a good idea to have a document that clearly states the Government's thinking and what will be sacrificed? If we get it wrong, we will end up paying for this primarily in the health service.

Lord Callanan (Con): I am not quite sure that I understand the noble Lord's point. Of course, all of the appropriate documentation would be produced. With a lot of these schemes, it is easy to bandy around large numbers, as we have seen recently, but they take a lot of time to implement. Officials in my department have been working solidly over the summer to implement the last package of announcements—the Energy Bills Support Scheme—which is why it is now ready to go, from the first of next month. A considerable amount of very swift work would be required to implement a new package as well.

Baroness Finlay of Llandaff (CB): Do the Government recognise that there are clinically vulnerable people whose lives depend on the equipment they have at home, such as oxygen concentrators, pressure-relieving mattresses and ventilators, as well as warmth in cold weather, of course? These people must be placed on a "clinically vulnerable" list that must be kept up to date to ensure that their electricity supply is not cut off if they are unable to pay their bills. They need additional financial help; otherwise, as has been suggested, they will end up being emergency hospital admissions to an NHS that already cannot cope with the pressures on it.

Lord Callanan (Con): I agree with the noble Baroness. She listed one particularly vulnerable group but there are others, as well as many small businesses, who will suffer because of the high energy prices at the moment. We are all aware of that and we all know the problem. Of course, coming up with solutions is difficult and potentially expensive, but we are working on it.

The Lord Bishop of Oxford: My Lords, it is very good to hear that a plan is in place to address this catastrophe, which is concerning so many people, and to bring help to households. What steps will the Government take to address this fundamental failure of the market, such that huge, almost unimaginable profits are accruing to energy companies, while the poorest in the country face the dreadful choice between heating and eating?

Lord Callanan (Con): The right reverend Prelate is not correct about that. It depends on which energy companies he is talking about: many of the energy suppliers have gone bankrupt over the last year or are making very marginal profits. Some producers, often in other parts of the world, are making very large profits. There are issues to do with some of the early renewable power obligation companies, which are also doing well. Under the latest contracts for difference schemes, that money is being recouped from the taxpayer. In all of these things, it is easy to make these observations but of course, it is an overly complicated situation.

Lord Lennie (Lab): My Lords, following on from the right reverend Prelate's question, figures from the University of York suggest that four in five households will face fuel poverty by January and millions of people are struggling to make ends meet. The *i* newspaper reported yesterday that the new PM is following the pattern of the former PM and doing a screeching U-turn, now saying that direct intervention in the fuel crisis is necessary and following Labour's proposal to freeze energy bills. Can the Minister tell us if and when we can expect this to be delivered?

Lord Callanan (Con): The noble Lord will, as I said to the noble Lord, Lord Wood, have to be patient and allow the PM to look at all the various options. I know that she has been doing work on this over the last few days, and I am sure that the House will not have long to wait.

Baroness Browning (Con): Will my noble friend take a particular interest in those who are entirely dependent on benefits—disability benefits in particular—and for whom that is their only source of income? I declare an interest, having some responsibility for close relatives in this position. Whatever happens in the future, to date people on employment support allowance, for example, are divided into two groups: those deemed to be contributors through their past national insurance contributions and who are eligible for the grants that are available now, and those who have not had that experience and get nothing. This seems to be the worst form of discrimination.

Lord Callanan (Con): I think my noble friend is talking about the warm homes discount, which we retargeted in the summer. Another three-quarters of a million people became eligible for it—some three million people are now eligible—and we were trying to target it at the most vulnerable. Clearly, there are lots of different groups that we will need to look at very closely.

Lord Vaux of Harrowden (CB): My Lords, my postman asked me a question the other day that I was not able to answer, so I hope the Minister can help. He is on a tariff that guarantees him 100% renewable electricity. The cost of generating renewable electricity has fallen, yet his bill is more than doubling. He does not understand this, and neither do I. Either these renewable tariffs are nothing of the sort—they are just greenwashing—or companies must be profiteering outrageously. Which is it? If it is profiteering, is it right that the taxpayer should subsidise that?

Lord Callanan (Con): That is another good question, and the answer is complicated. The marginal rate of electricity is set because of the highest contributor to that, which is gas-fired generation at the moment. This is why we have launched the review of market arrangements, which is looking urgently at that exact situation. The noble Lord makes a powerful point.

Lord Sikka (Lab): My Lords, I have spent the last few weeks visiting pawnbrokers across parts of London to see how the people at the bottom of the pile are managing. They are pawning vacuum cleaners, microwave ovens, radios, televisions, bicycles and DIY tools. One lady even pawned a toaster so that she could get £5 to buy a birthday card and a present for her friend. That is the level of abject poverty we have at the bottom. Can the Minister invite the Prime Minister on my behalf to accompany me to visit the pawnbrokers and see for herself what has happened to the people under this Government?

Lord Callanan (Con): I am not sure that pawnbrokers have necessarily arisen just under this Government. However, I totally accept the general point the noble Lord is making: there are many people—actually, on all income levels—who are suffering because of this crisis, which we all know was caused ultimately by Putin's invasion of Ukraine. This is a difficult problem, and there are no simple and easy answers. All the potential solutions are very expensive and need to be looked at closely, and I am sure that the PM will do that.

Baroness Garden of Frognal (LD): Can the Minister please confirm that the Government are still intending to give £400 to all households, regardless of their income, and two or three times that amount if they happen to own two or three properties? Why are they not redistributing that money to those who really need it?

Lord Callanan (Con): Yes, that is the intention. Again, the reasons for it are long and complex, as I just explained to the noble Baroness. By far the largest package of the support measures that were announced is in fact going to those on the lowest income. Having said that, there is a recognition that those who do not necessarily rely on benefits and are not on the lowest income—perhaps what is referred to as the "just about managing"—are also suffering and deserve some help. It is very difficult with current policies to target support directly at those people. We wanted to get the support out as quickly as possible, and that is the reason why one element of the package was universal—to ensure that support goes to those "just about managing" as well. However, as I said, the majority of the package is targeted at those on the lowest incomes—which is correct.

Leasehold Reform

Question

2.59 pm

Asked by ***Lord Kennedy of Southwark***

To ask Her Majesty's Government when they plan to introduce a Bill to reform leasehold as a tenure for housing.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I declare an interest as a leaseholder.

Baroness Scott of Bybrook (Con): As the noble Lord will be very well aware, as of today we have a new Prime Minister, and therefore it would be pre-emptive for me to set out so soon the details of when any legislation will be introduced. None the less, I want to be clear that the Government are committed to creating a fair and just housing system that works for everyone. This includes our reforms to improve fairness and transparency in the leasehold home ownership market.

Lord Kennedy of Southwark (Lab Co-op): I thank the noble Baroness for that response. Can she go further and confirm that she will speak to the new Secretary of State and other relevant Ministers, when

appointed this week, to urge progress on leasehold reform? There are some dreadful abuses of leaseholders taking place across all aspects of this tenure—on service charges, insurance and forfeiture—and truly radical reform, or even abolition of this tenure and the development of commonhold, is required.

Baroness Scott of Bybrook (Con): I assure the noble Lord that I will speak to whoever is the new Minister, or to an old Minister coming back. While I cannot set out precise details of the future Bill at this stage, the Government have been very clear about our commitment to addressing the historic imbalance in the leasehold system. Further legislation will follow later in this Parliament. This is a long-term reform programme; it is complex and it is important that we get the detail right.

Lord Young of Cookham (Con): My Lords, my noble friend will know that the leasehold reform Bill was originally planned for this Session and has now been postponed to the next one. In the meantime, in addition to the problems mentioned by the noble Lord, Lord Kennedy, there is considerable uncertainty in the leasehold market. Leaseholders when they buy a flat do not know what additional rights they may acquire under the Bill, and this affects the value. To minimise the uncertainty in the meantime, can my noble friend do what she can to ensure that the Bill is introduced very early in the next Session, preferably on the first day of the Queen's Speech debate?

Baroness Scott of Bybrook (Con): I totally understand the issue that my noble friend raises. As I have said to the noble Lord opposite, I will do my best to ensure that all the issues that noble Lords bring up today are communicated to the department and to the new Ministers. My noble friend understands that I cannot give the commitment that he requires but, again, I assure him that the Government are still very strongly committed to taking forward a comprehensive long-term programme of reform in the house ownership sector. However, as I have said before, it is complex and we need to get the detail right.

Baroness Pinnock (LD): My Lords, here is something that maybe the Minister could address. Ground rents are not controlled for the vast majority of leaseholders, and there is obviously no service for that, just a payment that they have to make. Leaseholders are telling me that often that is linked to RPI, which is obviously going through the roof, resulting in very high additional charges for the leaseholders affected. It is profiteering that is inexcusable in the circumstances. Will the Minister use whatever influence and pressure that she and the Government can to put on to freeholders to stop these extortionate rises in RPI-linked ground rents?

Baroness Scott of Bybrook (Con): I will use every opportunity I can to do that, and the Government are looking at capping rents across the social sector. I will also bring up the issue of ground rents while they are looking at those issues. I think that is an important point we can take back from the noble Baroness.

Lord Adonis (Lab): The issue of ground rents that the noble Baroness has just raised is fundamentally different from the issue of social rents. As the Government themselves recognise, it is totally unjustified to be charging exorbitant ground rents, for which landlords offer no services whatever, because they have been illegal with respect to new leases since the end of June. It is not just increases related to RPI—in some cases there are doubling clauses in contracts every 10 years, which leads to totally unsustainable increases for leaseholders. I strongly encourage the noble Baroness to take up this issue with the new Secretary of State.

Baroness Scott of Bybrook (Con): I assure the noble Lord that I will do that. I understand. That is why we brought in the Leasehold Reform (Ground Rent) Act in 2022, which came into force, as the noble Lord said, at the end of June. Things have changed and are changing, and as we are looking at capping social housing rents, I do not see any reason why we cannot look at—without any promises—ground rents as well.

Lord Watts (Lab): My Lords, can the Minister explain why there is plenty of parliamentary time available at the moment and yet these important Bills do not come forward? Is it the case that they have all followed the procedures of the ex-Prime Minister and gone on holiday for a month?

Baroness Scott of Bybrook (Con): I think noble Lords will find that every department thinks that its legislation is as important or more important than that of others. But I agree with the noble Lord that these are important pieces of legislation, and I shall talk to Ministers as they come in, and to the department.

Baroness Fox of Buckley (Non-Afl): My Lords, I watched all the hustings that have taken place throughout the summer and was reassured by people talking about the need for affordable housing and home ownership as part of democracy, but there was no specific reference to leasehold. Would the Minister try to get the message through to the new Prime Minister that although she may think, as many of us did when we bought our flats, that you are buying into home ownership, actually, if you buy as a leaseholder, you do not own anything—you are just tenants by any other name, with very few rights? Maybe the new Prime Minister does not know the details. I urge the Minister to draw her attention to this very important issue, or it makes the home ownership rhetoric only just that.

Baroness Scott of Bybrook (Con): I am taking back from this Question a very clear view of what this House wants doing about these leaseholder issues. It was in the Government's manifesto, and we are due to deliver these changes within this Parliament, but I shall certainly take back the views of this House, which have come across very strongly this afternoon.

Baroness McIntosh of Pickering (Con): My noble friend may be aware that leaseholders trying to control their energy and electricity usage have no control over the energy and electricity being used in the common

[Baroness McIntosh of Pickering]
parts of the building. Is that something that she might take up with the new Energy Secretary of State at BEIS in due course?

Baroness Scott of Bybrook (Con): I thank my noble friend for that question. The Government have confirmed that we will provide equivalent support of £400 for the households who will not be reached through the Energy Bills Support Scheme. This includes those on communal heating systems, where they are currently excluded. The Government are due to announce in the autumn details of how those households will receive £400 of support. The energy security Bill introduced in July will also give Ofgem powers to set prices for consumers on heat networks where necessary.

Lord Best (CB): Can the Minister to add yet another item to the long list of things that she is going to take back to the Secretary of State—the special position of leases for retirement housing? People moving into retirement housing is a very good thing, because it frees up family homes, and we want people to be in more suitable accommodation in old age, but people are rightly put off by not understanding, and sometimes by being ripped off by, the lease arrangements that govern their service charges and other fees. Could she draw particular attention to that? Possibly a solution may lie in the new legislation, as it comes forward, specifying the content that will go into each leasehold that will be permitted in future.

Baroness Scott of Bybrook (Con): I thank the noble Lord for that. I am personally aware that this is an issue in housing for those over 50 and 55. I shall try my best to urge the department to take on board those issues when it comes to the next piece of leaseholder legislation.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I have one final thing for the Minister to take back to the new Secretary of State. There are a couple of really good Private Members' Bills on these issues, including the Leasehold Reform (Reasonableness of Service Charges) Bill and the Leasehold Reform (Disclosure and Insurance Commissions) Bill.

Baroness Scott of Bybrook (Con): Noted, my Lords.

Ethiopia: Humanitarian and Security Situation

Question

3.09 pm

Asked by ***Lord Browne of Ladyton***

To ask Her Majesty's Government what assessment they have made of the humanitarian and security situation in northern Ethiopia.

The Minister of State, Department for the Environment, Food and Rural Affairs and Foreign, Commonwealth and Development Office (Lord Goldsmith of Richmond Park) (Con): My Lords, the UK is gravely concerned about the resumption of fighting between the Tigray People's Liberation Front and the Ethiopian Government. There is no military solution to this conflict; only political negotiations can resolve it. Thirteen million people in northern Ethiopia are in need now of humanitarian assistance as a result of the conflict and the UK is urging all parties to immediately reinstate the truce, allow humanitarian access and begin peace talks.

Lord Browne of Ladyton (Lab): My Lords, this conflict is responsible for the deaths of half a million or more people already from either war or famine. On 2 August, following a meeting in Addis Ababa and a visit to the Tigrayan capital, Mekelle, the US special envoy, Mike Hammer, and envoys of the EU, the UN and the UK called for the restoration of basic, essential services and unfettered humanitarian access, implying that Abiy, who had met them, had agreed to do these things. However, he summarily dismissed their call and maintained the blockade, continuing to use starvation as a weapon of war. Fighting has now resumed, with Eritrea's re-entry into the conflict, a counteroffensive by the TPLF and lethal air strikes by Abiy aimed at civilian areas, including a kindergarten. Considering the humanitarian, regional and geopolitical implications of increasing instability in Ethiopia, what steps are we taking to end this conflict? What leverage do we have?

Lord Goldsmith of Richmond Park (Con): My Lords, as I said, 22 months of fighting has shown that the only solution is a political one and we have been very forthright in urging all parties to reinstate the previously agreed cessation of hostilities, begin peace talks and guarantee humanitarian access to northern Ethiopia for basic services. We have supported and continue to support the African Union's mediation efforts. The African Union is pushing hard for a redoubling of those efforts to avert further escalation. Our view and its view is that Tigrayan forces should leave Amhara and Eritrean forces should withdraw from Ethiopia. We are as dismayed as the noble Lord no doubt is at the recent reports of civilian casualties following a government air strike on Tigray. This is a humanitarian crisis that is growing terrifyingly quickly, affecting vast numbers of people.

Lord Purvis of Tweed (LD): My Lords, on a previous Question I raised the concern that this could become a regional pressure point: indeed, with the Eritrean Government forces, it is now an issue on the Sudanese border as well. I declare an interest in that I will be in the wider region at the weekend. The Sudanese authorities have advised NGOs and UN bodies to pull back from the Sudanese border, which will make the situation for those Ethiopians who are fleeing this violence even worse. What direct humanitarian support is the UK providing to these bodies, which are literally providing life-saving services in this border area?

Lord Goldsmith of Richmond Park (Con): I thank the noble Lord for his efforts in the wider region. The UK is a major humanitarian donor to the East African region. UK-funded activities are making a measurable difference to people's lives. In the current financial year, we will have provided around £156 million in humanitarian aid across East Africa, £76 million of

which has already been spent, and UK aid is helping millions of people access food, water and healthcare right now. We know from history that early intervention saves lives; that is why a few months ago—this year—£24 million in funding was announced for early action and support: a scaling up of assistance in Ethiopia, South Sudan, Somalia and Kenya. In April, we helped to bring states together at the UN drought round table, which mobilised around $400 million in new commitments for the region. The UK is providing a lot of finance, but we are also flexing, wherever possible, our diplomatic muscle and using the networks that we have built up.

Lord Alton of Liverpool (CB): My Lords, I declare an interest as the co-chair of the All-Party Parliamentary Group on Eritrea. Does the noble Lord agree that the malign role of Eritrean militias has undoubtedly exacerbated an already grievous situation? The conflict is spreading from Tigray to other ethnic groups and to neighbouring countries, with terrorist organisations such as al-Shabaab exploiting the instability. With an entire population, as the noble Lord has said, on the verge of starvation and death, how has the United Kingdom responded to the bombing of civilian targets, including in close proximity recently to the university in Mekelle, by galvanising the international community to end the weaponising of hunger and famine, rapes and gender-based violence and to bring those responsible to justice? Does he not agree that the scale of what is happening in Africa is directly comparable to the scale of what is happening in Europe, in Ukraine?

Lord Goldsmith of Richmond Park (Con): The noble Lord has a long track record on these issues and I appreciate the very regular updates I get from him, all of which I transfer to my colleague in the other place in whose portfolio this sits. I know it is appreciated there as well. Millions of people in Ethiopia have been lifted out of poverty in recent years; it was a development success story. We all remember the horrors that created much of what we now regard to be the aid movement, but those gains that we saw are massively at risk today. The reality is that millions upon millions of people are now facing a return to base poverty—actual starvation—so this is of course a priority for us. We are working with all the international bodies that have a role to play, whether that is in preventing sexual violence or alleviating the immediate threats of starvation, and we are working through all the UN agencies. We are and remain an international development leader in Africa, notwithstanding the pressures on the ODA budget in the UK, and Africa will remain a priority for us.

Lord Udny-Lister (Con): My Lords, would the Minister look again at the situation in the Horn of Africa? There is instability in northern Ethiopia, Sudan and Somalia, yet Somaliland, which is not recognised as a country—the British Government will still not look at recognising its Government—is after all the only stable place in that region.

Lord Goldsmith of Richmond Park (Con): The noble Lord makes such an important point. I am tempted to depart from the current line to take on Somaliland, but I will simply say that it is one of the most extraordinary success stories. It is a plucky country and a place that has defied all the odds. It is one of the only countries in the world that has almost eliminated electoral fraud through the use of iris technology. It is a country where, following a democratic election, candidates shake hands and power is transferred peacefully. It is an area in one of the most troubled regions on earth which has managed to rid itself of the problems of al-Shabaab, which were mentioned in a previous question. I cannot think of another country that has succeeded or flourished more against all the odds. In my view, it is a country that we should be supporting, and we should ramp up our support in the months and years to come.

Lord Collins of Highbury (Lab): My Lords, can I return to the noble Lord's initial statement that there is no military solution to the war in Ethiopia? Secretary of State Blinken said recently that talks should resume without any precondition. Of course, the African Union process has faltered, but can he tell us whether the Government and the Foreign Secretary, or the Foreign Office, have been in touch with Secretary Blinken to ensure that we can get talks started without any preconditions, and that we have humanitarian access to those people who are suffering terribly?

Lord Goldsmith of Richmond Park (Con): HMA Addis Ababa and the UK special envoy to the Horn of Africa met Prime Minister Abiy on 12 May and Deputy Prime Minister Demeke and National Security Adviser Redwan on 16 August. We are continuously pressing for a resumption of peace talks. The Minister for Africa visited Ethiopia in January this year and has been very public on this issue on a regular basis. We are actively supporting the African Union's efforts to mediate. The noble Lord says that there should be no preconditions, but clearly it is essential that at the very base of those discussions there is an agreement that Tigrayan forces must leave Amhara—that is non-negotiable—and that Eritrean forces should withdraw from Ethiopia. Although I cannot answer the noble Lord's question in relation to Secretary Blinken, I am absolutely certain that the answer is yes. However, I cannot answer that authoritatively; I will ensure that he has an answer from the Minister for Africa.

Lord Dobbs (Con): My Lords, one of the distressing aspects of this terrible situation is the deliberate destruction of cultural artefacts within Ethiopia, so may I try to link this Question with the earlier Question about cultural artefacts? Even from the Floor of this House, there have been recent calls for the immediate return of 11 religious tablets held in the British Museum that came from the Ethiopian Orthodox Church. Would it not be madness, given this present situation, to think about doing that right now? Might I encourage the Minister to have a word with his colleague, the noble Lord, Lord Parkinson—he will not have to go too far to have this conversation—about coming up with a much more grown-up policy about the return of cultural artefacts, which, above all, recognises the incredible part that British museums have played as custodians of these artefacts which otherwise would not be in any museum and would have been destroyed long ago?

Lord Goldsmith of Richmond Park (Con): The noble Lord makes a really important and valid point. My understanding is that there have been no recent discussions with the Government of Ethiopia on this issue. The tablets are legally owned by the trustees of the British Museum, which is operationally independent of government. Decisions relating to the care and management of its collection are of course a matter for the trustees. But I note the comments of the noble Lord and I am sure his message will be heard loud and clear in the Foreign Office.

Social Housing (Regulation) Bill [HL]

Committee

3.20 pm

Clause 1: Fundamental objectives

1: Clause 1, page 1, line 5, after "safe" insert ", energy efficient"

Member's explanatory statement

This amendment would require the fundamental objectives to include reference to energy efficiency

Baroness Pinnock (LD): My Lords, I draw the attention of the House to my relevant interests as a vice-president of the Local Government Association and as a councillor. I apologise to the House that, due to train delays, I was unable to speak at Second Reading, though I was here for most of that debate, bar for about three minutes.

This Bill is broadly accepted—certainly by those of us on our Benches—but there are some additions which we think would make it better. Back in July, when my noble friend Lady Thornhill and I tabled this amendment on energy efficiency, little did we know that the issue would be even more in the public eye and even more important to address in a strategic way. The amendment, which adds the words "energy efficient" to the fundamental objectives set out in Clause 1, must surely now be a priority for any Government.

Our country's energy security is finally at the heart of government thinking. The cost of energy for tenants—many of whom will be among those with the lowest incomes—means that they will be completely unable to meet their basic needs. Improving energy efficiency is one of the key planks of a longer-term strategy to ensure energy at a cost that can be afforded. As this is undeniably the case, I hope that the Minister will be able to accept the amendment.

Houses in Britain are some of the worst insulated in Europe—it is shameful to have to say that, but it is true. The Government aim to improve the energy efficiency of homes, but what appears to be lacking is a practical plan to achieve those absolutely essential improvements.

The properties in the social housing sector will, in the main, have been built post-1920, when cavity walls became the norm. One-third of heat loss is through walls. Prior to 1990, cavity wall insulation was not the norm, although it can be done relatively easily. Ensuring that loft insulation is 300 millimetres deep—the current new-build standard—will also help, as will double glazing, although the majority of properties will already have double glazing, albeit at the lower efficient level installed at the time. The Government have the stated intention of exchanging gas boilers for heat pumps, which are effective only with very well insulated homes. Therefore, achieving more energy-efficient social housing should be a priority, which is the purpose of the simple amendment that we have laid today.

Achieving better energy efficiency is not difficult if there is a will to do so. When I was leader of Kirklees Council, about 15 years ago we had what we called the warm zone scheme, which provided free loft and cavity wall insulation to all homes, regardless of tenure—not just social housing but all homes—and which was part-funded by a levy on energy companies. In total, nearly 100,000 homes benefited. If it was that easy to do—to be honest, it was not that difficult—it can be done now on a nationwide basis, and ought to be done. It is practical but will happen only if the sector is required to make it a priority; hence the purpose of the amendment.

This amendment is about the principle of energy efficiency, and Amendment 21, in the name of the noble Baroness, Lady Hayman, is much more detailed in nature and provides specific targets for energy efficiency, which of course we will support wholeheartedly.

I also wish to speak to Amendment 4 to Clause 1, which is also in my name and that of my noble friend Lady Thornhill. The purpose of this amendment is to provide the regulator with a duty to report on the removal of unsafe cladding and the remediation of fire safety defects in social housing. Members of the Committee may be thinking that the issue of unsafe cladding and other fire safety defects has been resolved; the solution was the Building Safety Act. Unfortunately, there are many unresolved problems, and for the social housing sector the challenge is that of the lack of funding for dealing with essential remediations.

The National Housing Federation estimated earlier this year that remediation costs for its sector will be about £10 billion and for social housing owned by local authorities a further £8 billion. Social housing landlords do not have access to funding for non-ACM cladding removal—so there is no funding for the other fire safety defects. There is also no funding to cover costs for tenants in the same way as there is for leaseholders. One of the consequences is that tenants, through their rents, will be contributing to the cost of remediation.

Imposing the cost of remediation on social housing landlords obviously has knock-on effects on plans for other refurbishment, or could even stall plans for new homes. An excellent research paper from the House of Commons Library was published in June on this issue, from which I got some of that information.

3.30 pm

The aim of the Bill is a good one: to ensure safe homes in the social housing sector. Fire safety cannot be ignored as being too expensive or too difficult. As we know, tragically, ignoring fire safety costs lives. I urge the Minister to accept this amendment to provide regular assurance that fire and building safety remediation work is being completed in the social housing sector. With that, I look forward to the rest of the debate on

this group of amendments, which are fundamental to getting improvements to an otherwise sound Bill. I beg to move.

Baroness Hayman (CB): My Lords, it may be helpful to the Committee to continue the theme of energy efficiency, rather than going through the amendments numerically, so I will do so. I declare my interest as co-chair of Peers for the Planet. As the noble Baroness, Lady Pinnock, said, I have Amendment 21 in this group, and I am very grateful for the support of the noble Lords, Lord Bourne of Aberystwyth and Lord Foster of Bath, who have added their names to it.

At Second Reading of the Bill in July, there was similar support from across the House—on all Benches—for action on energy efficiency in the social housing stock. The Minister himself described action as a "must", but I am afraid he stopped there in describing how that action would actually be implemented. As the noble Baroness, Lady Pinnock, said, social housing tenants are among the most vulnerable in the current energy crisis. The Government's own most recent data shows that 72% of new lead tenants were not in employment; 20% of new lettings were reserved to those who were statutorily homeless. Research by the Energy and Climate Intelligence Unit shows that houses in EPC band D, which are 35% of social housing, will pay £600 more a year under the cap as it is at the moment than those in band C, and forecasts from Cornwall Insight suggest that that could be doubled next year.

The money that we are led to believe will be spent in subsidising—paying for—those bills is money that literally goes up in smoke. The money spent on home insulation and energy efficiency is money that does not have to be spent year after year when we have an energy price crisis. This was recognised by the Government in the clean growth strategy in 2017, when they committed to consultation on minimum energy performance standards in social housing, but we have seen no plan—not even a consultation on a plan or a plan on a consultation. Hence the need to take action in the Bill to put the requirement in primary legislation and get moving with doing this.

As the noble Baroness said, this amendment is more detailed than hers. We have framed it as a duty on the Government to publish a strategy. I hope that others will agree that this is the most appropriate approach. It should not be a duty on social housing providers to improve properties without any government support, nor a duty on government to go into properties that they do not own and forcibly improve them without landlord and tenant consent. A duty for a strategy will require input from social housing providers, tenants and community groups and the specialist and general firms who carry out the work.

The amendment is relatively simple. Proposed new subsection (1) gives the social housing regulator the power to set standards in relation to energy demand—a slightly different approach from that in Amendment 1—and requires the regulator to have regard to the Government's strategy on this topic when it does so. Proposed new subsection (2), which is the meat of it, requires the Government to set out an energy reduction strategy, with four key points.

The first is the rollout of low-carbon heat, so that it accounts for 100% of installations by 2035. The low-carbon heat could equally well come from heat pumps or local heat networks. This is simply putting a commitment that the Government have already made, but are not making a lot of progress with, on a statutory footing.

The second is an EPC rating of C for all social housing properties by 2028. The Committee on Climate Change has recommended that year; the Government have suggested 2030, but it is important that we make progress now.

The third point is to have interim targets for the first two points. We have all seen the dangers of putting very high-level commitments out in principle while not seeing any plan for their implementation and no milestone so that we can tell how far we are going. Interim targets would give transparency for tracking the government target for energy-efficiency improvements made each year and would maintain momentum.

The fourth point is a plan to support social housing providers in engaging with one another, the social housing regulator, and a single source of government advice. This is really important. One of the things that people are flailing around for is the best way to do things in the current crisis. It is tremendously important that the Government, who have referred to providing a source of advice, do so urgently, so that we do not all reinvent wheels all over the place. Proposed new subsection (3) requires the Government to consult the Climate Change Committee, which has significant expertise in this area, when producing their strategy—another belt and braces to ensure that we are making progress.

Ideally, we would be tackling energy efficiency across all fields. There is a huge gain to be made there. The noble Lords, Lord Bourne of Aberystwyth and Lord Whitty, and I will be tabling amendments to the Energy Bill for a broader government strategy. However, we can and should make progress now with this particularly vulnerable group of people. As I said, 2017 was the first time that this was mooted by the Government. The adage is that the best time to plant a tree is 10 years ago. The best time to have begun this strategy was five years ago, but the second-best time to plant a tree is today. I hope that the Minister will respond by doing this now.

Lord Bourne of Aberystwyth (Con): My Lords, it is a great pleasure to follow the noble Baroness, Lady Hayman, and to support her in this amendment, along with the noble Lord, Lord Foster of Bath, who has also added his name to it. I declare my interests as published in the register. I am also a member of Peers for the Planet. It sounds like saying that I am a member of Alcoholics Anonymous, not that I have ever had to do that. This is an extremely important amendment.

As has been noted, at Second Reading there was very strong support from around the House for the Bill's objectives, and I am clear that that will remain the case. There is also strong support from around the Committee for the Government's commitment to achieving net zero, and for the work of the Committee on Climate Change. What we need to do, through this

[Lord Bourne of Aberystwyth]
legislation, is provide some heft to that commitment, because what is lacking, as the noble Baroness noted, is a road map to take us to the very noble aim of net zero. As the noble Baroness, Lady Pinnock, rightly said, since Second Reading, it has become even more evident how important this is—in very graphic terms, with the eye-watering price of energy and energy security centre stage following the dreadful situation in Ukraine. I think that is recognised by the incoming Prime Minister, but I say to the Minister, who has a long list of things to take up with the incoming Prime Minister and Ministers, that this is an opportunity for a very early demonstration of this Government's commitment to tackling this very serious issue by tackling not just climate change but the energy security issue and, not least, the eye-watering cost of energy that we face currently.

At this juncture it is clear, as clear as it can be, that any action to reduce energy demand is sensible and vital. As is often said, the energy that is cheapest is the energy that we do not use. One thing we can perhaps take some comfort from, in a slightly bizarre way, is that we have got more ground to make up in this country than many other countries in relation to energy efficiency. There is a lot we can be doing; there is massive scope for energy efficiency and, indeed, for demand reduction, which this amendment is geared to. By reducing energy demand, we contribute to the fight for net zero, we contribute to helping ease the massive cost of energy and we also contribute to our energy security. These three pillars are all vital in this battle, and this amendment—a very modest amendment, really—would contribute to all three. The commitment to the low-carbon heat target of 100% of new installations of heating appliances and a minimum EPC rating of C for all social housing is, I believe, achievable and vital.

I appeal to the Government to come forward with a positive programme of engagement with social housing landlords, and advice, also very sensible and provided for in this amendment. I am sure it would have support from all corners of the Committee and would contribute in a very positive way to something that we know our country needs to do. I trust that the Government will demonstrate their commitment to net zero, to easing the cost of energy and to achieving energy security by supporting this amendment. It is a practical, pragmatic, sensible response to the energy crisis, will be seen as such, and will be seen as an early demonstration of the commitment of this Government. So I hope that is what the Minister will say when she responds to this group of amendments.

Lord Foster of Bath (LD): My Lords, I begin, as I did at Second Reading, by reminding noble Lords that this Bill is part of the response to the Grenfell Tower fire. Yet again, I offer my condolences to the families and friends of those who lost their lives in that dreadful tragedy. I support all the amendments in this group, including Amendment 21, which carries my name alongside those of the noble Baroness, Lady Hayman, and the noble Lord, Lord Bourne, both of whom have done excellent work in these areas over several years. I also support the amendments from my noble friends Lady Thornhill and Lady Pinnock, and of course I particularly support the amendment from the noble Lord, Lord Best, whose work on housing over many years has been inspirational.

Millions of families live in social housing. They are often the least well off and impacted the most by the current rocketing energy prices. We have something like 15 million homes, across all forms of tenure, that are below energy performance certificate band C; in other words, we have 15 million homes that are inadequately insulated, and many of them are in the social housing sector. As a *Times* article said a week ago:

"Our latest analysis, published today in partnership with economists at the CEBR, underlines the scale of the growing energy efficiency divide in Britain. From October, the two thirds of households living in homes rated below the government's target EPC C rating, are set to pay £748 more per year for their energy than the third living in homes at or above the threshold."

As the Minister knows, I have, through two Private Members' Bills, one of them still awaiting a Committee stage—I hope she might help me out with that—and amendments to other pieces of legislation, frequently raised the need for the Government to place their own already agreed targets for improving energy efficiency into legislation to give the industry, so badly let down by previous schemes, the confidence it needs to invest in the technology, skills and equipment to achieve this. Like the noble Baroness, Lady Hayman, and others, I have tabled amendments to the Energy Bill to seek to achieve that.

3.45 pm

However, for this Bill too we need to set a clear focus on these issues. Energy efficiency should indeed be a fundamental objective of this Bill and we need a strategy for energy demand reduction. After all, the alternatives—some palatable, others frankly less so—from renewables and further drilling in the North Sea to nuclear and fracking, cannot, perhaps with the exception of solar, deliver increased energy supplies for several years to come. The crisis is now, which is why I believe we should stop homes leaking heat with a crash programme of energy efficiency, which, as the noble Baroness, Lady Hayman, said, will reduce fuel bills for years to come.

Unfortunately, the situation on home energy insulation is, frankly, dire. Just a week ago, on 30 August, the *Independent* pointed out:

"Home insulation installations have plunged by 50 per cent this year as the government wound down a failing grant scheme, new figures reveal, adding to the pain of rocketing energy bills. Ministers are accused of failing to take basic measures to help people cut their energy use".

The article continues:

"Just 126,131 homes received help with work such as loft and cavity wall insulation through the Energy Company Obligation scheme in the first six months of 2022"—

a 51% fall on the number of installations carried out in the same period last year, which itself followed a "shocking" decade of failure to act, as climate experts have claimed. As the article notes, Doug Parr, policy director at the campaign group Greenpeace, said:

"It's frankly astonishing that this dip in insulation rates comes at exactly the time we should be ramping up this proven, long-term solution to the cost of living crisis."

Mike Childs from Friends of the Earth said:

"This winter, millions of households will be paying sky-high bills for heat that will simply escape through roofs, walls and draughty windows and doors. The next prime minister must make energy efficiency a top priority".

It is interesting to see that traditionally Conservative-supporting newspapers are particularly depressed by the current Government's failure in this regard. On 28 August, the *Sun*, under the heading:

"The energy crisis alone should make it obvious that we cannot afford to waste a single kilowatt"

said that

"it is shocking to find the number of homes being padded out to reduce heat loss has more than halved this year. And the number of insulation installations being carried out is at its lowest since 2018. Householders faced with astronomical heating costs need lagging for their homes, not a government lagging behind."

Even the *Telegraph*, on 31 August, drew attention to the disproportionate energy cost rises for those living in poorly insulated homes compared with those in better-insulated ones.

I genuinely believe that the case for making energy efficiency a fundamental objective of this Bill and for establishing a proper strategy for demand reduction is overwhelming. I support the amendments that call for that, as I do the other amendments in the group.

Baroness Jones of Moulsecoomb (GP): My Lords, I want to speak about energy efficiency as well, because clearly this is something that no one can disagree with. It is smart and, at the very least, good business practice—not to mention that it helps people on very low incomes.

As the noble Baroness, Lady Hayman, pointed out, social housing landlords have a huge challenge to raise the energy efficiency of the homes they look after and to bring them up to modern standards, simply because they do not have the money. If the Government are not going to give them a handout or ease the energy crisis in all sorts of ways, they need to make it possible and to make funding less incredibly difficult. The situation is getting worse day by day, as supply chain issues and the rate of inflation keep shooting up.

At the moment, the main source of funding for social housing improvements seems to be borrowing against future income from social rents. This means a very tight pot of funding, where energy-efficiency measures have to compete against issues such as maintenance, renovation and new home building. The Government could create new fundraising opportunities for local authorities. Some of this could be grant funding but there are other options too, such as facilitating the creation of climate bonds and other sorts of financing.

I hope that tackling this funding gap for social housing is a priority of this Government. It would help so many people. I look forward to the Minister sharing the Government's plans and, I hope, bringing forward something on this issue on Report.

Lord Whitty (Lab): My Lords, I want to briefly record my support for the intent of all these amendments for both social and environmental reasons. The tenants of social landlords need to be prioritised by improving their energy efficiency, and hence cutting their bills. Because it is a significant proportion of our housing stock, to meet the net-zero pathway it is necessary for the social housing sector to make a step change in the improvement of its premises.

To achieve that, there are responsibilities on government, not least in pursuing the strategy that the speech and amendment from the noble Baroness, Lady Hayman, address, but there are wider responsibilities on government to create the overall policy and the legislative and regulatory framework to ensure that it is delivered. There are also responsibilities on social landlords, and that should be made explicit to them, but the Bill is primarily about the regulator. The regulator's central duty ought to include energy-efficiency objectives. I regard that as an important missing dimension of the Bill. I would argue this in relation to almost any other legislation, in any field, that changes or introduces new regulation. We need a net-zero objective in our social and economic regulators' responsibilities and terms of reference.

I have a couple of questions for the Minister. When pursued on energy-efficiency matters on the Energy Bill and in other contexts, her noble friend and colleague, the noble Lord, Lord Callanan, often says that part of the Government's solution is to fund the programme of improving social housing. I find it difficult to say that that is sufficient. Does the Minister know what proportion of the totality of social housing premises, or whatever subset of that she has information on—large estates, in particular—has been addressed since the Government's intention that social housing's energy efficiency be improved, both by insulation and by the source of its energy, became clear? If she does not have that information today, perhaps her department and BEIS could provide me with an answer.

The second question is on planning, which clearly is within her department's responsibility. Many social housing estates, mainly in the local authority but also in some housing association areas, are faced with major schemes of regeneration. Too often, in my view, local authorities and developers, when faced with demands or requests for regeneration, opt for demolition and rebuild. In almost all cases, demolition in each of its stages and the rebuild have a larger carbon content than most schemes of refurbishment. When will the planning process address this and ensure that it is a central issue for those planning authorities faced with propositions from social landlords?

Baroness Thornhill (LD): My Lords, I will speak to Amendment 2 in my name and that of my noble friend Lady Pinnock. I wish also to echo from these Benches the support for the amendment in the name of the inspirational—I agree with that—noble Lord, Lord Best, on the same topic. The fundamental difference between the two amendments is simply that our amendment to Clause 1 would make it a fundamental objective of the Bill, while the noble Lord's amendment seeks to ensure that the regulator has the powers to require housing associations to safeguard and promote the interests of the homeless and potentially homeless. Therefore, I am pleased to say that they work very well together.

We are seeking this simple amendment as a fundamental objective because, without it, there is a real danger that, as the Government quite rightly and understandably tighten the regulation of social housing

[Baroness Thornhill]
as outlined in the Bill, social housing providers themselves, many of whom are fairly cash-strapped, will prioritise that which is being measured for fear of being named, shamed and fined. So they should, you might say, but it will have consequences for the homeless and those in temporary accommodation. This is a phenomenon that has been experienced with former council inspections and with Ofsted.

The fact that several housing associations have formed themselves into their own group, known as Homes for Cathy, shows that many take their homelessness prevention work seriously and strive to house people away from the streets, sofas and the overcrowded conditions that they might currently live in. Quite simply, we believe that this work is significant, valuable and essential, and therefore should be monitored by the regulator as part of a provider's performance improvement plan.

During the pandemic, heroic efforts were made by government, councils, voluntary groups and housing providers to significantly reduce the numbers sleeping rough, which according to the 2022 government figures stand at an eight-year low. This is to be commended and is indeed good news, but we have to set it against the same set of annual figures that show that the numbers in temporary housing have been rising steadily since 2011. There are over 96,000 households in such accommodation as of September last year. Extremely worryingly, that figure includes over 121,000 children. We are all aware of the negative impacts this leads to, not only on a child's education but on their general health and well-being.

Regrettably, I know from personal experience that the quality of that accommodation has deteriorated due to several factors, not least the inexorable decline in the number of social homes being built to move families on to; that is a debate for another day but a relevant factor. I will never forget the day that my head of housing came to see me urgently. Knowing that I was proud of our record of never having to use bed and breakfasts for homeless families, she was not looking forward to telling the mayor that that day we were placing families into a hotel for the very first time. Such were the pressures mounting on our housing stock. Now it is commonplace for councils to use bed and breakfasts, hotels and hostels—albeit the time for that is now limited by statute—before a move to temporary accommodation, which is when other problems begin.

Temporary accommodation, sad to say, is often inadequate—a room in a shared house that is overcrowded and in need of repairs or in poor condition. Critically, it can even be in another town, miles away from your workplace or children's schools. It is not unusual for families to be in temporary accommodation for years. Shelter and the LGA have evidence of some families being housed in this way for a decade or more. That has to be unacceptable. Getting people off the street and out of temporary accommodation are two sides of the same coin. That should be an important function of all providers; we need it to be.

4 pm

The key reason for putting this homelessness provision in the Bill as a key objective is that the situation is only going to get worse. Analysis by Heriot-Watt University projects that the current number of those experiencing rough sleeping is set to increase, particularly as market rents continue to diverge from local housing allowance levels, which are not rising with inflation as they are currently frozen. We do not need to be experts to work out that the current cost of living crisis will make the situation worse as residents inevitably fall behind in their rent, deferring those payments as they prioritise food and heating as more immediate needs.

We want the amendment to evidence the Government's —I like the phrase used by the noble Lord, Lord Bourne —heft and commitment to this. Without that, we believe that this will not get measured, and we will inevitably get only what is being measured. Society cannot afford any reduction in this work, so pressure must be maintained and support given. We cannot afford for social housing providers to start to play down this work.

Many providers already do this work and are proud of it, and need recognition that this work is valued and essential. The recent report on the Bill by the House of Commons Levelling Up, Housing and Communities Select Committee regrettably suggested that some providers are already moving away from their social objectives. Enshrining this amendment as an objective should ensure that housing associations maintain a reasonable focus on homelessness activities and monitor such information on lettings to homeless households, evictions and tenancy-sustainment work. We hope the Government will support the amendment, as I think it will give a real filter on the true housing crisis that we all know exists.

Lord Best (CB): My Lords, I shall speak to Amendment 22 in this group. It links to and complements Amendment 2, just spoken to by the noble Baroness, Lady Thornhill. The two together underscore the role of social housing regulation in securing accommodation for those who are homeless or are likely soon to be so.

Like the noble Baroness, Lady Pinnock, I apologise on behalf of LNER for arriving too late to speak at Second Reading. I hope your Lordships will forgive me adding an introductory preface to my advocacy for the amendment.

I have spent well over 50 years supporting the social housing sector and have been both on the receiving end of social housing regulation and a participant in regulatory policy-making. From these perspectives, I recognise that poorly designed regulation can interfere with the independence, freedom, flexibility and diversity of approaches of social housing providers, but a bigger part of me recognises that a well-designed regulatory system is a positive. By ensuring adherence to good standards, regulation enhances the sector's support from its residents, central and local government, investors, partners and the wider public. That is why I welcome the Bill. Indeed, an effective system of regulation is essential if the sector is to grow, as it must, to meet the desperate need for more decent and affordable homes.

This brings me to the first of the two amendments I am putting forward today. Amendment 22 takes us to the heart of why we have a social housing sector in the first place and to the role of regulation in ensuring these providers fulfil the most pressing of the roles which society expects of them. Amendment 2, put forward by the noble Baronesses, Lady Pinnock and

Lady Thornhill, makes addressing homelessness issues part of the objectives of the regulator. Amendment 22 enables the regulator to require social housing landlords to comply with standards it sets regarding homeless and potentially homeless households.

The amendment is being sought by a group of over 100 housing associations and other housing charities called Homes for Cathy, which is led by David Bogle of Hightown Housing Association. Many of your Lordships will hear the echoes of the famous documentary drama "Cathy Come Home", which revealed the horrors of becoming homeless back in 1966. The programme inspired many of us to get involved in social housing. Several of the organisations in Homes for Cathy today were established at that time to rescue people from homelessness and prevent households suffering the horrors of homelessness. Sadly, as we all know so well, this problem is still with us.

The Government are committed to ending street homelessness by 2024 and great progress was made by local authorities and social housing bodies during the height of the pandemic. Today we heard from the noble Baroness, Lady Bloomfield of Hinton Waldrist, via email about renewed efforts to end rough sleeping, which I greatly welcome. Meanwhile, the number of homeless and would-be homeless who have had to be placed in temporary accommodation has grown alarmingly, as the noble Baroness, Lady Thornhill, has mentioned.

It may seem obvious that social housing landlords should be expected to ease the problems of homeless families. Doing so is surely a key reason for the taxpayer supporting the sector. No one believes that the private rented sector can supply the secure homes we need at rents within the means of those on the lowest incomes. Unlike housing associations, councils have legal duties and statutory responsibilities for supporting homeless people. But local authorities—which are strapped for cash and have a hugely diminished stock after right-to-buy sales and after transferring their council housing to registered providers—now rely on the housing associations to help shoulder this task.

It is regrettable that not all the housing associations are doing as much as they could. Critics accuse some of the registered providers of avoiding housing those in the greatest need. In the year before Covid, registered providers evicted 10,000 tenants—effectively creating homelessness problems. Even allowing for the severe financial pressures they face at this difficult time, surely it must remain a key responsibility of housing associations to be meeting the needs of homeless and potentially homeless people.

Amendment 22 gives the regulator the power—not the obligation—to set standards of behaviour for registered providers in relation to safeguarding and promoting the interests of those who are homeless or may become homeless. This does not compel the regulator to do so or prescribe the form its action might take. In Scotland, for example, the Scottish Housing Regulator has placed a duty on social housing providers to report to the regulator on their homelessness activities.

This light-touch addition to the standards, for which the regulator in England can require compliance, seems entirely compatible with the Government's aims to reduce homelessness. It enables the regulator to hold all the housing associations to account in their fundamental role of addressing the housing problems which the market cannot solve. It responds to the criticism that some parts of the social housing sector have forgotten their social motivations. It recognises the wonderful work many in the sector are doing and it enables the regulator to press all housing associations to do so too.

Baroness Hayman of Ullock (Lab): My Lords, this is an important Bill and it has our support. This is also an important debate, highlighting issues around energy costs and homelessness. Our position is that this is a good and important Bill, but there are areas in which it could be improved. I hope that the Minister is listening carefully to our debates, and I am sure that everyone here hopes to support the Government in making the Bill as good as it can be.

I will speak in support of the amendments on energy efficiency, which, in the light of rising and predicted costs, is clearly critical at the moment. I will first address Amendment 21, in the name of the noble Baroness, Lady Hayman, and of course Amendment 1, in the name of the noble Baroness, Lady Pinnock, which covers the same ground. The noble Baronesses spoke of the importance of tackling issues around energy efficiency. As we heard, the proposed new clause of the noble Baroness, Lady Hayman, requires the Secretary of State to publish a "Social Housing Energy Demand Reduction Strategy". She went into some detail about how that could be achieved and what it needed to contain in order to help reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The noble Baroness, Lady Hayman, mentioned the Government's clean growth strategy and their announcement five years ago, in 2017, about setting a target to get all housing up to energy performance certificate band C by 2030. Although many social housing providers have made strides to improve efficiency, we have heard in this debate that more needs to be done quicker. If we are to reach our net-zero targets by 2050, we must decarbonise our buildings, including the 2.7 million housing association homes in England. Housing association homes are, on average, more efficient than any other home but, as we heard, there is still much to do. The noble Lord, Lord Bourne, said that we have some catching up to do in this area, and he is absolutely right.

The noble Baroness, Lady Pinnock, and the noble Lord, Lord Foster of Bath, talked about insulation. We believe that social housing providers should be required to properly insulate properties to a high standard. Social housing tenants were not eligible for assistance under the new Green Deal, and some housing associations have in fact refused to insulate properties that are extremely cold and energy consuming in winter, simply because they do not have to do so. Insulating existing social housing properties would significantly reduce greenhouse emissions in the United Kingdom, help us to meet our legally binding CO2 reduction targets and potentially save the lives of many vulnerable people in the process. With people saying that they may have to choose between heating and eating this winter, this is even more critical.

[Baroness Hayman of Ullock]

This is not just about bringing existing properties up to energy band C; we also need to consider new build and our legislation around expected standards. According to *Inside Housing*, housing associations have built only a tiny number of homes that have the highest energy performance certificate rating of band A. The biggest 157 associations in the UK completed just under 50,000 homes in the 2021-22 financial year, but only 607 of those—1.2%—achieved a band A rating. In fact, the number of energy-efficient homes being completed by associations has actually fallen since last year, when they built 651 band A-rated properties. This data also shows that social landlords are falling behind the wider building sector. Two per cent of all new builds in England and Wales were EPC band A, according to the latest data. Although that rate is low, it is still more than 40% higher than the proportion built by housing associations.

4.15 pm

Protecting people living in social housing from high energy bills is clearly important, because a high proportion of social tenants are on low incomes. We know that the energy crisis and the cost of living increases are causing severe financial difficulties for many housing association residents and are driving up costs for the housing associations themselves, as other noble Lords have mentioned during this debate.

While we know that many housing associations are doing all they can to help mitigate the impact of energy price rises on tenants and residents, the National Housing Federation has raised concerns that the price cap introduced by the Government to protect consumers does not help to lessen the cost for those on communal heat networks, which affects 153,000 housing association residents. Many of these residents are older, vulnerable and on very low incomes, so we must also protect these people from the rising energy costs. Will the Government look at communal heat networks and provide them with the same protections as other residents?

Alongside immediate help and support, a long-term strategy is needed from the Government on reducing energy demand. We agree with the noble Baroness, Lady Hayman, that publishing a social housing energy demand reduction strategy will support the Government in achieving their net-zero targets, while at the same time helping to drive down fuel poverty. I hope the Minister has listened to the clear concerns raised by the noble Baronesses, Lady Hayman and Lady Pinnock, in their introductions to their amendments.

I will now briefly comment on the two amendments in this group on safeguarding and supporting people who have become homeless, because this is an extremely important area that we need to tackle. The noble Lord, Lord Best, mentioned the Government's recently announced rough sleeping strategy to tackle homelessness, but this Bill provides a welcome opportunity not only to ensure that the provision of housing and support for homeless people and homeless households is recognised as an important consumer regulation objective, but to allow the regulator to have a role in monitoring registered providers in working with local government and other stakeholders to alleviate homelessness. Both the noble Baroness, Lady Thornhill, and the noble Lord, Lord Best, made excellent introductions to their amendments, and I am sure they have given the Minister much to think about on improving strategy development to tackle this issue.

As drafted the Bill will ensure that registered providers provide safe, well-managed and quality homes, and that tenants have the opportunity to be involved in the management of those homes and can hold landlords to account. However, these important landlord responsibilities must continue to go hand in hand with duties to accommodate and support homeless people and households, and not to be seen by social landlords as an opportunity to cut back on this vital work or, potentially worse still, to house only compliant tenants who will give them a "good" landlord rating to show the regulator. So we strongly support these amendments.

Finally, I offer our support for Amendment 4, tabled by the noble Baroness, Lady Pinnock, which includes the regulator's objective to look at the requirement to report to the Government on cladding and the remediation of other fire safety work. This is an important area left over from the Building Safety Bill, and we really need to tie up some of these loose ends. My noble friend Lord Whitty talked about the importance of the regulator, how it is set up and its priorities, responsibilities and objectives; this is clearly an important area that we need finally to cover off.

This has been an important debate and I look forward to the Minister's response.

Baroness Scott of Bybrook (Con): My Lords, I begin by welcoming members of the Grenfell community, some of whom are in the Gallery today, while many are watching online. I commend them for their continued engagement in this vital piece of legislation and assure them that they are never far from our thoughts and prayers.

First, I thank the noble Baronesses, Lady Pinnock, Lady Thornhill and Lady Hayman, the noble Lord, Lord Best, and others for this debate on these very important issues, which are becoming more important as energy becomes a bigger and bigger issue for the people of this country. These amendments seek to make changes to the Regulator of Social Housing's statutory objectives and standard-setting powers and to the approach to energy efficiency in the social rented sector.

I begin with Amendment 1 in the name of the noble Baroness, Lady Pinnock, and Amendment 21 in the name of the noble Baroness, Lady Hayman. As I said, energy efficiency is an important topic, both to meet our net-zero commitments and to reduce residents' energy bills over the long term, which we know is more important than ever at this time. Many registered providers of social housing are already striving to improve the energy efficiency of their properties. Indeed—I think this is an answer to the first question from the noble Lord, Lord Whitty—two-thirds of the sector currently achieves an EPC rating of C or above, making it the best-performing housing sector we have.

The Government are committed to considering setting a new regulatory standard of EPC C in the social rented sector and to consulting the sector before that standard is set. I am sure this is something that incoming

Ministers will want to look at once they are appointed. Also, the Government committed £800 million in the 2021 spending review to the social housing decarbonisation fund, bringing the total committed to just over £1 billion. The fund will support the ambitions set out in the *Clean Growth Strategy* that as many homes as possible are improved to energy performance certificate EPC band C by 2035, where practical, cost-effective and affordable, and for all fuel-poor homes to reach that target by 2030.

As well as achieving good standards on average, many providers are already including net-zero considerations in their long-term planning and recognise the importance of improving energy efficiency. In the *Heat and Buildings Strategy*, published in October 2021, we committed to consider setting a new standard on energy efficiency in the social rented sector and that we would consult the sector before doing so. This part of the process is vital. Setting targets such as those proposed in Amendment 21 would exert significant financial pressure on social landlords who must balance differing spending priorities. We need to know whether spending on net zero might come at the expense of being able to deliver much-needed new housing and, importantly, home repairs.

That is why we must ensure that plans to decarbonise social housing are properly scrutinised and that we understand the broader impacts of any proposed metrics and standards. A full consultation and impact assessment would be a key step to understanding the impact of new standards on social landlords and on residents—who will benefit most from improved energy efficiency.

I assure the noble Baroness that improving energy efficiency in the social rented sector is a priority. The regulator already requires providers to meet the decent homes standard, which requires efficient heating and insulation. Including energy efficiency in the regulator's objectives would therefore be only a symbolic change. Changing the objectives to include an already existing duty would be, in my opinion, a duplication.

I agree with the comment from the noble Baroness, Lady Hayman, that much of the debate that we have had this afternoon should possibly be taken in the Energy Bill as well. It is important that it is not forgotten.

The noble Lord, Lord Whitty, brought up the issue of the planning system and pleaded for incentives for regeneration rather than demolition and rebuild. I have to say that I agree with those sentiments but I do not have the answer. I will write to the noble Lord and will put a copy in the Library.

On communal heat networks, raised by the noble Baroness, Lady Hayman of Ullock, the Government have confirmed—I think I mentioned this in an answer to a question today—that network customers who will not be reached by the Energy Bills Support Scheme will be supported with an equivalent scheme, which is very good news. We are also taking powers in the Energy Bill to rectify the situation and Ofgem will regulate this in the future.

I now move on to Amendment 4 in the name of the noble Baroness, Lady Thornhill, and the important issues of cladding remediation and fire safety. The noble Baroness, Lady Pinnock, brought up the funding for replacement of usage of non-ACM cladding. The Government have committed to £400 million to replace unsafe ACM cladding, and a £4.5 billion fund to remediate unsafe non-ACM cladding on residential buildings over 18 metres or just below in all sectors. There is money there for non-ACM cladding.

Nothing is more important than keeping people safe in their homes. The Bill is just one of a number of reforms that the Government have delivered in response to the Grenfell Tower fire; this includes this year's Building Safety Act and last year's Fire Safety Act. The department continues to work closely with registered providers to look at ways to make sure that buildings with unsafe cladding are remediated quickly. However, we are not persuaded that this type of monitoring is appropriate for the Regulator of Social Housing to undertake. While the regulator collects data from registered providers to inform its regulation of the standards, it is not a specialist health and safety body. The regulator's data collection powers enable it to collect only data relevant to its regulatory functions. Significantly, its regulatory remit does not extend to monitoring the progress of cladding remediation.

The department is currently examining options for monitoring and reporting remediation progress in future, including cladding remediation. We strongly believe that decisions in this area should be based on thorough analysis of available options; this will ensure that the function is undertaken by those with the correct skills, expertise and capacity. Consequently, it would be counterproductive to pre-empt the outcome of this work by adding this amendment. I am, however, keen to reassure the noble Baroness that ensuring that landlords provide safe, high-quality social housing remains a key part of the regulator's role.

I now turn to Amendments 2 and 22 in the names of the noble Baroness, Lady Thornhill, and the noble Lord, Lord Best, respectively, which relate to the regulator's role regarding homelessness. The Government are committed to tackling homelessness before it occurs; this year we provided local authorities with £316 million in homelessness prevention grant funding. Since the introduction of the Homelessness Reduction Act 2017, over half a million—510,930—households have been supported into secure accommodation. We have made excellent progress on our manifesto commitment to end rough sleeping and will build on this progress through continued work with our range of partners. To deliver our vision, we have brought forward a bold new strategy to end rough sleeping and we have pledged £2 billion over three years to deliver on this ambition by supporting local authorities and partners to deliver on this strategy. It will continue to be the role of local authorities to consider how their allocation policies support those in need of social housing, including people who are homeless. It differs very much, depending on where that local authority is and its demography.

While we expect landlords to treat everyone with respect and deliver a high-quality service to all, the measures in the Bill are targeted specifically at existing social housing residents. This is to enable the regulator to monitor compliance with its standards, supporting improved services for residents.

The regulator's existing tenancy standard already sets an expectation that providers take account of the housing needs and aspirations of tenants and potential

[Baroness Scott of Bybrook]
tenants, and assist with local authorities' strategic housing function. This includes homelessness duties. Providers are also required to provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions. I also note that the regulator plays a vital role in ensuring that providers are financially viable and well managed, which protects tenants from situations that would put their housing at risk. Following the passage of the Bill, the regulator will review and consult on changes to the regulatory standards, including the tenancy standard.

4.30 pm

At this point I want to bring up the issue of temporary accommodation, brought up by the noble Baroness, Lady Thornhill, and the noble Lord, Lord Best. Time spent in temporary accommodation means people are getting help and ensures that no family is without a roof over its head. The Government are committed to reducing the need for temporary accommodation by preventing homelessness before it occurs. This year, local authorities have received £316 million through the homelessness prevention grant, giving them the funding they need to prevent homelessness and help more people sooner. The Homelessness Reduction Act is helping more people get help earlier, particularly single households who often in the past would not have received help and would have been at risk of sleeping on our streets.

The Government are also committed to increasing the supply of affordable housing. We are investing £12.2 billion in affordable housing over five years from 2021 to 2026. This represents the highest single funding commitment to affordable housing in a decade. The investment includes the new £11.5 billion affordable homes programme that will be delivered over five years, providing up to 180,000 new homes across the country, should economic conditions allow.

The regulator continues to develop the operating model for the proactive consumer regulation regime and will consider how best to seek assurances that providers meet the revised standards set. In view of these arguments and reassurances, I ask noble Lords to kindly not press their amendments.

Baroness Pinnock (LD): My Lords, first, I want to remind us all that this Bill is here largely because of the tragedy at Grenfell, to recognise that and to thank the campaigners for, in a time of deep distress, taking up the cudgels on behalf of not only those who suffered and died in the Grenfell tragedy but the whole social housing sector, to improve the quality of social housing for everybody. We should all be grateful to them for what they have forced this Government and ourselves to address and to respond positively to—so thank you.

I thank everybody for the debate we have had on such important issues. It has been an excellent debate and, across the Committee, we have all agreed. I am not sure the Minister has, but I am sure she can be persuaded and I thank her for her responses to the issues that have been raised. I want to say one or two words. There are three big debates here, are there not? One is about energy efficiency, where I thought the two amendments actually knitted together really well. In principle, there is a duty there to add that to the objectives of the regulator and, obviously, the strategy, the plan that is going to get us there. That was beyond me, so the experts took that on, and, you know, why do we not just say yes to it? Because it is so good—is it not?—and very important at this particular time. Some £700 per household could be saved if we insulated homes properly. In some parts of the country we did that, so we can do it everywhere.

On responsibility for homeless provision, I was really shocked by the statistics from the noble Lord, Lord Best, that 10,000 tenants have been evicted. Did I hear that right? I did. That is dreadful: 10,000 tenants evicted and then homeless. Where do they go? That has to be put right. Again, that was at the heart of the principle and the plan that we heard about from my noble friend and the noble Lord, Lord Best. A strong case was made. I know that the Minister has had to read out what she was given, but the case was there. I am sure this amendment will come back on Report, as will the one on energy efficiency.

Finally, I make no apology for raising cladding once again. The social housing sector is not as well funded to deal with it as other areas, and until I am convinced that it can be achieved without costing tenants and the opportunity cost for providers, I will keep raising it.

It has been a good debate. I thank the Minister for what she said, and I therefore will not press my amendments—but I will probably bring them back on Report.

Amendment 1 withdrawn.

Amendment 2 not moved.

Amendment 3

Moved by ***Baroness Wilcox of Newport***

3: Clause 1, page 1, line 10, at end insert—

"(d) after paragraph (d) insert—

"(e) to make recommendations to the Secretary of State in relation to compensation for tenants of social housing.""

Member's explanatory statement

This amendment would allow the regulator to make recommendations about compensation for tenants.

Baroness Wilcox of Newport (Lab): My Lords, I draw the Committee's attention to my interest in the register as a vice-president of the Local Government Association. This group of amendments relates to monitoring and enforcement of what will become this Act, with three of the four amendments tabled by the Labour Front Bench.

Amendment 3, in the name of my noble friend Lady Hayman of Ullock, would allow the regulator to make recommendations about compensation for tenants. I would like to ask the Minister about government guidance on compensation and how the Government view the future relationship between the regulator and compensation working in practice.

Amendment 28, in the name of the noble Baroness, Lady Pinnock, relates to the powers for the regulator to arrange surveys of the condition of social housing properties. The amendment notes that tenants must be given only 24 hours' notice, whereas providers are given 48 hours' notice. This amendment rightly draws attention to the need for social housing tenants to feel safe and secure in their homes—the basis of that hierarchy of needs that so many of us learned about at university. It seems completely unnecessary that they are given such short notice, so, again, I ask the Minister about the discrepancies in this area.

Amendment 32, in the name of my noble friend Lady Hayman of Ullock, would mean that emergency remedial action "must" take place, rather than "may", if those conditions are met. Words are powerful things, and the implications behind "must" and "may" are equally important. The intention is to highlight the importance of emergency action to fix problems in social housing and to raise areas of concern about poor housing conditions. Emergency remedial action removes the risk of serious harm. As I know only too well, a local authority has an immediate right of access if it decides to take emergency action. If this happens, the tenant and landlord are served with a notice, and the local authority can claim back the cost of any work from the landlord. Unfortunately, unscrupulous landlords have used such actions to evict tenants, as those with limited security of tenure can be evicted fairly easily. Some landlords may choose to evict a tenant following a complaint from that tenant about the condition of the property, rather than carrying out the necessary work. This amendment would go some way to further support the rights of tenants to live in decent homes.

Amendment 48, also in the name of my noble friend Lady Hayman of Ullock, would mean that the Secretary of State must publish an annual statement to include the number of successful and unsuccessful appeals in any given year.

This amendment seeks more information about the appeal procedure and urges the Government to be transparent about its operation. I beg to move.

Baroness Pinnock (LD): My Lords, I want to speak to Amendment 28 in my name. Clause 22(3) sets out the powers to carry out a survey of a property without a warrant. The authorised person, who would be named by the regulator, is given these powers by this clause, as long as the registered provider has been given 48 hours' notice. This seems fair enough to me. By the same clause, the tenant is given only 24 hours' notice. The reason for the difference in the timings of the statutory notice is not clear to me. The purpose of Amendment 28 is to probe the thinking behind this difference. In lieu of any explanation, I propose that the notice period for both provider and tenant should be 48 hours.

The changes made by Clause 22(3) move the responsibility for giving notice to enter a property from the registered provider to the authorised person. Therefore, there is no practical reason—as there was originally in the Housing Act—for the difference in the notice period. This is especially true as, to quote from the Bill, the notice can be fixed to a

"conspicuous part of the premises."

When the Minister responds, will she also help me by explaining the addition to the Housing and Regeneration Act 2008 of new Section 218B? I apologise; I noticed this only when I was reading the Bill more carefully yesterday. The tenant is provided with a copy of the performance improvement plan—which is drawn up where a registered provider has failed to reach a statutory standard for properties under their responsibility—only if they make a "written request" for one. This seems unreasonable and not to fulfil the other parts of the Bill which are for greater transparency. In my view, the registered provider or the regulator should have a duty to inform the tenants affected by the performance improvement plan as a matter of course. Tenants who are directly impacted by poor quality of provision will want to be in a position to ensure that the plan is fulfilled. They are best placed to call the registered provider to account. I apologise for raising this issue at the last minute in the debate. If the Minister cannot give me a reply, I should be happy to receive a written response.

The amendments in the name of the noble Baroness, Lady Hayman of Ullock, make excellent sense and we support them. I beg to move my amendment.

The Deputy Chairman of Committees (Baroness Fookes) (Con): My Lords, I remind Members of the Committee that only the first amendment in a group is moved until such time as it is reached on the Marshalled List.

Baroness Scott of Bybrook (Con): I thank the noble Baronesses for tabling amendments on these important issues. This group of amendments primarily relates to the Regulator of Social Housing's monitoring and enforcement powers.

Amendment 3 relates to compensation. I begin by stating that registered providers of social housing should always seek to rectify problems relating to the housing they provide. In certain circumstances, where they do not do so and continue to fail their tenants, it is right that tenants are compensated for the suffering caused as a result of these failings. However, I must reject this amendment.

4.45 pm

The regulator can already require private registered providers to pay compensation to tenants. Sections 236 to 245 of the Housing and Regeneration Act 2008 allow the regulator to award compensation to the victims of failings by these providers. In cases where there is a dispute between landlords and their tenants on an individual issue being considered by the Housing Ombudsman, the ombudsman can also require providers to pay compensation to tenants. The regulator will determine the appropriate sanction depending on the circumstances and apply the enforcement powers most likely to bring providers back into compliance with the standards.

I think the noble Baroness, Lady Wilcox, asked about local authorities' requirements to pay compensation. The regulator can require only private registered providers to pay compensation to their tenants. However, the regulator has a range of other enforcement powers it can use to ensure that local authority landlords provide a good service to their tenants. Through this legislation,

[Baroness Scott of Bybrook]
we will be extending the regulator's powers to issue fines to local authorities. The amount providers can be fined will be unlimited.

Amendment 28 relates to notice periods for the regulator carrying out surveys. I thank the noble Baroness, Lady Pinnock, for bringing this up. We do not expect the Regulator of Social Housing to adopt the minimum period of notice given to tenants and registered providers before a survey takes place as the default position in all circumstances. The mandatory minimum notice periods are there to offer authorised persons clarity in urgent cases. In the vast majority of cases, we would expect the regulator to give both parties as much notice as possible.

The noble Baroness, Lady Pinnock, raised an important question relating to the difference in notice periods for tenants and providers. It is important that any decision on this issue is based on thorough consideration, and, as such, I reassure the noble Baroness that while I will not accept this amendment today, I will take away this issue, my officials and I will have further discussions, and I will come back to her.

Amendment 32 relates to emergency repairs. The noble Baroness, Lady Wilcox, brought this up, and media reports have highlighted the awful conditions that some tenants are living in. The Regulator of Social Housing found Croydon Council to be in breach of its consumer standards and continues to work with Croydon to ensure that it takes action to remedy these issues. The emergency repair power will be exercised only following a survey where the regulator has identified a failure which poses a risk of serious harm.

The regulator's powers will ensure that it can step in and take appropriate action where there is a serious risk to the health and safety of tenants. While local authorities also have the power to conduct emergency remedial action in specified circumstances, it is right that the regulator can also take action where needed to protect tenants from harm. The emergency repair power is an important new tool in the regulator's set of enforcement powers. It allows the regulator to conduct emergency repairs to remedy failures that cause an imminent health and safety risk to tenants. In such cases, the regulator should first seek to use other enforcement powers to encourage the provider to put things right. It is the providers' responsibility in the first instance to act, and the regulator would do everything possible to ensure that they meet their responsibilities.

The amendment would ensure that the regulator "must" take emergency remedial action where the relevant conditions are met. I cannot accept this amendment, as it is essential that the regulator keeps the flexibility to determine where it is appropriate to use these powers. In determining which of its enforcement powers to use, the regulator will always consider what is in the best interest of tenants. It would be wrong for us to bind the hands of the regulator and commit it to taking one course of action, regardless of what it believes appropriate in the circumstances.

I will say that landlords must ensure they provide safe homes for their tenants. The changes we are making to strengthen the regulator's powers will ensure that where landlords do not do so, the regulator can take swift and effective action.

Amendment 48 is the final amendment in the group and relates to appeals against decisions made by the regulator, including the decision to take enforcement action. I begin by making clear that we recognise the importance of mechanisms that help to inform, engage and empower social housing tenants. That is why we are introducing measures to increase transparency, such as tenants' satisfaction measures and the access to information scheme. We are, however, unable to accept the amendment.

If an appeal is taken to the High Court, this is already published by the courts system. The information published includes whether appeals were successful or unsuccessful. As there is already a public authority with responsibility for this, it is unnecessary to duplicate this work by asking the Secretary of State to perform the same function. Noble Lords should also bear in mind that we do not anticipate appeals being launched regularly. As such, it would be simple for an interested party to access the relevant information from the Courts and Tribunals Judiciary record of High Court judgments.

On the basis of the assurances provided for each amendment, I ask the noble Baronesses kindly not to move their amendments.

Baroness Wilcox of Newport (Lab): My Lords, I am glad to hear that the amendment of the noble Baroness, Lady Pinnock, which seems both eminently sensible and fair, will be taken away by the Minister for further discussion—a very positive outcome—and that the Minister agrees that these are very important issues and that registered providers of social housing should always seek to remediate properties. Again, I thank the Minister for reminding us of the facts surrounding compensation. On emergency repairs, the regulator can step in for appropriate emergency action. I am glad that this new tool exists.

Clearly, I am disappointed that the Minister cannot accept the change of emphasis from "may" to "must", but I am glad she recognises the importance of the appeal mechanism and I accept the notion of duality, which she explained clearly. On that basis, I beg leave to withdraw the amendment.

Amendment 3 withdrawn.

Amendment 4 not moved.

Amendment 5

Moved by ***Baroness Pinnock***

5: Clause 1, page 1, line 10, at end insert—

"(2) After subsection (3) insert—

"(3A) In undertaking its objective under subsection (2)(b) the regulator must report to the Secretary of State at least every three years on whether the provision of social housing in England and Wales is sufficient to meet reasonable demands, and must make recommendations to the Secretary of State on how to ensure that the provision of social housing is so sufficient."

(3) The Secretary of State must lay a copy of any reports prepared by virtue of subsection (2) before Parliament."

Member's explanatory statement

This amendment would require the regulator to report to the Secretary of State on the adequacy of the stock of social housing.

Baroness Pinnock (LD): My Lords, Amendment 5 is in my name and that of my noble friend Lady Thornhill. It requires the regulator to report to the Secretary of State on the adequacy of the stock of social housing. We have rightly spent a lot of time so far in the debate on this Bill thinking about the quality and standards provided by the social housing regulator, but we should also be thinking about the sufficiency of supply, hence this amendment.

The recent report of the Built Environment Committee of your Lordships' House spelled out the stark statistics on this issue. In its report, the committee states that in March 2021 there were 1.2 million households on local authority waiting lists. Many people are desperate to access social housing because the rents are within their means and the housing built to a decent standard.

The report from the House of Commons Housing, Communities and Local Government Committee, *Building More Social Housing*, concluded that the Government should introduce a large-scale social housing programme. That is exactly what our amendment is asking: for the regulator to report to the Secretary of State at least every three years on whether the provision of social housing is sufficient to meet reasonable demands. We want a focus not just on the numbers of social housing but on the types of housing needed. As far as numbers go, the Lords report estimated that 90,000 homes for social rent need to be built every year, whereas earlier the Minister reminded us that the Government have set out for 150,000 over a much longer period. Clearly, the Lords report is asking for a much larger-scale investment in building homes for social rent.

It is important to consider not only numbers but the types of housing built. The Lords committee report concluded that older people's housing choices are very much constrained by the options available to them and that there will need to be more specialist housing for older people if the housing market is to be sustainable. This growing need for more specialist housing for older people, so that they can retain their independence, is vital. By 2032 it is estimated that there will be more than 5 million people in the UK who are over 80 years old. Building housing with extra care enables older people to live in a supported way and as independently as possible. This has a dual benefit of also reducing demand on social care.

Social rents are generally set at the local housing allowance, whereas families who want but are not able to access social housing often rent from the private sector, where rents invariably are higher than the local housing allowance. This results in those families who are dependent on benefits being even more impoverished, since they have to make up the rent to the landlord out of their benefits, over and above the LHA allowance that they get towards their rent. No wonder families end up going to food banks, when the rent that they are charged is more than the benefit they are provided with.

5 pm

It is therefore not surprising that many families want to live in social housing where the rent is at the LHA level. The Government have stated in the Levelling-up and Regeneration Bill that they are committed to providing housing at rents that are within the means of households, so there is a general acceptance by them, mirrored in the House of Lords report, of the urgent need for more social housing. But what is missing is a distinct lack of action by the Government to meet that need. I have already drawn attention to the disparity between the aim set out in the House of Lords report for 90,000 houses for social renters and that of 150,000 over a much longer period.

That is why this amendment has been tabled. There is an opportunity to provide a focus if we accept this amendment on the sufficiency of supply, particularly for social housing, by asking that a report be presented to Parliament every three years. That will ensure a regular opportunity to check whether progress is being made to meet the unquestionable demand and desperate need for social housing.

Amendment 52, also in my name and that of my noble friend Lady Thornhill, tries to add to the Bill a simple review. I am surprised it is not included already, because a review of the impact of a regulatory Bill would surely be part and parcel of what is included. All the amendment asks is that, after a year, a review is carried out and an assessment made of whether the Act has achieved what it set out to do. If we never check that the legislation that we pass has the impact that we set out to achieve, then we continue to make mistakes. I hope that this very straightforward and simple amendment will be accepted by the Minister when she responds. With those comments, I beg to move Amendment 5 in my name, and look forward to the debate on other issues in this group.

Lord Foster of Bath (LD): My Lords, the various amendments in this grouping are largely about monitoring, reviewing and assessing. I am very supportive of all of them, particularly the requirement in the first amendment from my noble friend on the Front Bench that there be an assessment of the sufficiency or otherwise of social housing stock in this country. I place on record how much I agree with her about the way in which such properties are built. We should ensure that many of them are built in such a way that gives an opportunity for people to live longer in their homes. There are some very simple issues that could be taken on board, such as ensuring a reasonably thick wall going up staircases so that stairlifts can subsequently be attached to them, which is rarely done at present.

Having said that, my Amendment 12 in this group concerns a somewhat niche but important issue relating to safety within social housing. It is an issue I have raised on a number of occasions, and I now have an opportunity to praise the Government for doing nearly everything that I want. My amendment seeks to persuade them to go that final bit further to achieve everything that I hoped to achieve.

During the passage of the then Building Safety Bill I drew attention to the large number of property fires caused by faulty electrical installations or appliances,

[Lord Foster of Bath]
some with devastating consequences. I pointed out that in the privately rented sector it is already mandatory to have safety checks on electrical installations every five years, but that there is currently no similar requirement in the socially rented sector, despite the social housing charter specifically stating:

"Safety measures in the social sector should be in line with the legal protections afforded to private sector tenants."

I moved an amendment to that Bill to try to rectify this but, sadly, it was rejected by the Government on the grounds that it would lead to an added burden on the new safety regulator and would

"distract it and hinder its success."—[*Official Report*, 29/3/22; col. 1403.]

However, I am delighted that, in a very short space of time, there has been a welcome change of heart by the Government following their own working group concluding that five-yearly checks on installations in social housing should take place. That is reflected in Clause 10 of this Bill, which amends Section 122 of the Housing and Planning Act 2016 to extend it to all landlords, thus including social landlords. It is a measure that I applaud. A consultation, which ended just a few days ago, has already taken place to consider the details of how such measures should be introduced. I welcome that.

The great thing is that the Government have even gone one stage further. They have clearly now decided that five-yearly checks will definitely go ahead in the socially rented sector, because paragraph 81 of the call for evidence of that consultation says:

"The government acknowledges the support of the Working Group for this proposal and agrees with the proposal to mandate five-yearly checks of electrical installations."

It is now clear that the Government will go ahead and it is merely the details of how the scheme will work that have to be finalised.

Even at Second Reading I was pleased with all this, although the consultation had not taken place at that time, nor had we had that final statement that we would be going ahead. However, I pointed out that

"a careful study of Clause 10's proposed way of achieving"

the five-yearly checks

"by amending Section 122 of the Housing and Planning Act 2016—reveals that the Secretary of State does not have to make any changes; merely that he may do so."

I asked the then Minister—the noble Lord, Lord Greenhalgh—to give me an assurance that

"following the consultation, the Government will commit to ensuring that 'may' becomes 'must' so that the pledge to ensure the parity of social tenants with private tenants is honoured".—[*Official Report,* 27/6/22; col. 459.]

Very sadly, although I was told that the Government

"would not be putting those powers in the Bill if we were not very serious in our intention to level up between private and public housing",

he nevertheless declined to accept my proposal to change "may" to "must" and said:

"I know that he, in exhorting me to move from 'may' to 'must', recognises that we do not want to pre-empt the consultation on electrical safety measures for social housing."—[*Official Report*, 27/6/22; col. 468.]

The consultation has now made it clear that the Government will go ahead but will be guided on the details of how they do so as a result of the consultation. Therefore, I now have a new amendment, Amendment 12, to deal with concerns about pre-emption by saying that the Government would have one year after the consultation before they must bring forward the required regulations. It no longer pre-empts the consultation. It would enable the Government to develop regulations to cover the details around implementation over the coming year. At the same time, it would ensure that the legislation required the much-needed and, as I am sure the consultation responses already show, widely supported introduction of mandatory five-yearly checks on electrical installations to take place in the socially rented sector. We nearly got there; on this occasion, I hope that we will have the Minister's support for this amendment.

Baroness Jones of Moulsecoomb (GP): Very quickly, I will speak to Amendment 5, but I support others. I am a big fan of social housing. I grew up in a council house in the 1950s and 1960s and my parents thought they were the luckiest people alive to have a new council house. It was a very happy home. These days, social housing is in very short supply, partly as a result of all sorts of population changes but also because of the Government's very badly thought through right-to-buy policies. Somehow, we have to mop this up.

The Green Party's 2019 manifesto committed to fund councils to deliver more than 100,000 new social houses per year

"through sustainable construction, renovation and conversion".

That is the scale of the solution needed to make local communities much more secure in their social housing. The Government have to remove the barriers that local authorities and social landlords face.

I will touch very briefly on freezing or limiting social rent increases. I very much feel that these rent increases need to be kept as low as possible—or frozen. The Government have to backfill the large gaps that this would leave in the funding for social housing. I also suggest a ban on evictions at the moment, because life is getting harder and harder. It seems downright unfair if the Government are going to pay energy companies £0.25 trillion to cap energy prices but, at the same time, pay nothing to social landlords to cap rents.

Baroness Hayman of Ullock (Lab): My Lords, I will first make a few comments about the amendment in the name of the noble Baroness, Lady Pinnock. It is important that she has drawn attention to the issues we have around the huge demand that exists for social housing. The noble Baroness, Lady Jones of Moulsecoomb, talked about the short supply as well. That means we have incredibly lengthy waiting lists. People often cannot get a property because there are no suitable properties available for their needs.

I would also like to reflect on the bedroom tax, which caused all sorts of problems with the availability of inappropriate social housing for people who had been asked to move. It is something we have to address. I was pleased that the noble Baroness talked about the importance of ensuring that, when investment is made, it is made in the type of housing that is needed, which

also needs to be built to appropriate standards. Again, this is something that the noble Baroness, Lady Jones of Moulsecoomb, mentioned around sustainability.

When I was a Member in the other place, local residents brought up the lack of appropriate social housing time and again. It was one of the major unsolvable problems, to be honest, that we had to deal with all the time. So I hope that the Minister takes this away and that we can look at having a proper programme of decent, sustainable, appropriate social housing development.

On the amendment from the noble Lord, Lord Foster, we supported him on the safety concerns and protections that he raised during the passage of the Building Safety Bill and join him in welcoming Clause 10 on electrical standards, as clearly it is important. Once again, we support his comments on the consultation and his amendment in this area.

I have a number of amendments in this group concerning the impact, the timing and the transparency of decision-making in the Bill. My Amendment 24 to Clause 19 would mean:

"Any direction under subsection (2A) must be laid before both Houses of Parliament."

This is to ensure that there is proper oversight and transparency of any standards and objectives set by the Secretary of State.

My Amendment 27 to Clause 21 would ensure that performance is monitored routinely rather than ad hoc by requiring the Secretary of State to publish regular timetables for the purposes of performance monitoring. It is important that the Bill brings in stronger enforcement powers for the regulator to tackle poor performance and we support these tougher enforcement powers. However, we also believe that they should be used in conjunction with a tough, regular inspection regime. Shelter has made it clear that it believes routine inspections are needed to make good practice and good behaviour the norm. However, I am aware that we shall be discussing this aspect of the Bill later today in group 6, so I shall move on.

5.15 pm

My Amendment 53 to Clause 31 on the Housing Ombudsman scheme would mean that within 30 days of the Act being passed, the Secretary of State must publish an assessment of the impact of its timing. The Government have spoken for years about regulating social housing, but it has taken until now for the proposed legislation to be brought forward—that is, over five years since the Grenfell fire. Why has it taken so long? The purpose of my amendment is to try to understand why this was not looked at with more urgency. Can the Minister tell us why has it taken so long for the Bill to be introduced? Can she also confirm what the expected timetable will be for the remaining stages, and when the Government expect the Act to be fully implemented? We do not want it to get stuck in the doldrums, as seems to have happened with a number of different pieces of legislation more recently.

This leads me to my Amendment 65, which would mean that all sections come into force on the day that the Act is passed. As I have said before, this is an important Bill, but it has been too slow to appear. Once it has passed through Parliament, there must be no more dither and delay, which is why my amendment allows the Minister to confirm that all sections will come into force on the day that the Act is passed.

Baroness Scott of Bybrook (Con): My Lords, I thank the noble Lords for tabling these amendments, which all relate to the implementation and review of the Bill. Before I start, I will respond to the issue raised about social housing rents by the noble Baroness, Lady Jones, as it does not really fit in to this debate. I would just say that we are consulting on setting a ceiling on rent increases in 2023-24. The consultation sets out several options for the ceiling; responses will be considered once the consultation closes, which we expect to be in a short time rather than a long time.

I will begin with Amendment 5 in the name of the noble Baroness, Lady Pinnock. The noble Baroness is right to highlight the importance of social housing supply, but also that it is not just about any houses; it is now very much about specific housing—housing for older people and families as well as for disabled people and vulnerable people. The Government are committed to increasing the amount of social housing but also to looking at the prioritisation of specific housing for specific groups.

Housing will be provided through our £11.5 billion affordable homes programme and I think it entirely appropriate that the regulator should have an objective to support the provision of social housing. However, I do not accept the noble Baroness's request that it should be the regulator's role to assess the need to increase the provision of social housing or to make recommendations as to how that might be achieved. There are many other organisations, such as the Chartered Institute of Housing, Savills and Shelter, which publish reports on these important issues at regular intervals.

I am concerned that asking the regulator to fulfil this role would not only be unnecessary but divert resources and attention from its important responsibilities, such as registering providers, setting standards in social housing, assessing risks across the sector, conducting financial checks of providers and carrying out enforcement action where needed. Instead, I believe that the regulator should continue to support the provision of social housing through its work to ensure that private registered providers are financially viable, efficient and well-governed. This in turn helps to ensure that the private registered providers can obtain funding to enable them to deliver more social housing.

Amendment 12, in the name of Lord Foster of Bath—who has already given part of my response—concerns the electrical safety consultation. As the House has already heard, we fulfilled our commitment to consult on electrical safety in social housing and the consultation closed only last week. In my opinion, it would not be right to pre-empt its outcome before carefully reviewing the responses we received. However, the Committee may note that the Electrical Safety Working Group, which included representation from across the social sector, was supportive of mandatory electrical safety checks, and I would not be surprised if the outcome of the consultation chimed with those views. However, it is only fair and reasonable that we do not pre-empt the final consultation.

[Baroness Scott of Bybrook]

Amendment 24, in the name of the noble Baroness, Lady Pinnock, relates to directions issued by the Secretary of State to the Regulator of Social Housing. The amendment would require the direction relating to information and transparency to be laid before both Houses. There is already an established process for issuing directions to the regulator, set out in Section 197 of the Housing and Regeneration Act 2008. The process requires that any direction be published in draft and subject to consultation ahead of being formally issued. This provides an opportunity for stakeholders, including parliamentarians in both Houses, as well as members of the public, to have a say on the drafted direction before it comes into force. In our opinion, this already provides sufficient opportunity for scrutiny of the information and transparency directions before they come into effect.

Amendment 27 in the name of the noble Baroness, Lady Hayman of Ullock, relates to timetables for performance monitoring of registered providers. Clause 21 of the Bill enables the regulator to deliver tenant satisfaction measures, including setting dates for the publication of such data and the period it covers. As the body granted legal powers through Clause 21, it is right that the regulator, not the Secretary of State, decide matters relating to timing of performance information. The regulator has already consulted on these matters and will respond in due course.

Amendment 52, tabled by the noble Baroness, Lady Pinnock, concerns scrutiny of the impact of the Bill. The Government recognise the importance of appropriately reviewing the impact of legislation. We will work with the regulator, and the Housing Ombudsman where appropriate, to conduct a full review at the end of one regulatory cycle to determine the impact of the measures introduced. This will be after four years of the new regulatory regime being in place. We committed to that in our regulatory impact assessment, and I am happy to commit to it again today.

The commitment to a review after a four-year cycle is important for two reasons. First, following the passage of this legislation, a number of steps will need to take place before the proactive consumer regime is implemented in full. These include the Secretary of State issuing directions to the regulator and the regulator subsequently consulting on the revised consumer standards. A review after one year would not allow sufficient time for those changes to take effect. Secondly, it is right that we wait for a four-year regulatory cycle, at which point the measures will have had time to take effect and have had full impact on the sector.

Amendments 53 and 65 have been tabled by the noble Baroness, Lady Hayman of Ullock. The former would mean that the entirety of the Act came into force on the day it was passed, and the latter would require an assessment of the impact of this legislation's timing. The noble Baroness asked me one very important question: why has the Bill taken so long to be introduced? We spent time listening to residents, hearing first hand about their experiences and how they wanted to see change. Over 8,000 residents contributed to these discussions. We published our social housing White Paper in November 2020. This is a complex process and programme, and we want to make sure we get it right, so it will take time for us to fully implement it.

The legislation will have a significant impact on the lives of social housing tenants across the country, and the measures will be implemented at the earliest appropriate opportunity. The majority of the provisions in this Bill will come into force on such a day or days as the Secretary of State may appoint by regulations. The timing of commencement is directly linked to the overall implementation of the strengthened consumer regulation regime, and we need to allow time for the sector to prepare.

The Regulator of Social Housing has already begun its work to develop this new regime. It plans to commence its statutory consultation on the regulatory standards following Royal Assent and the issuance of directions from the Government, with a view to full implementation in 2024. However, the message to registered providers is clear: do not wait for regulation to make changes—act now. I hope that noble lords are satisfied with the responses I have given to the amendments, and I ask that the noble Baroness withdraw her amendment.

Baroness Pinnock (LD): My Lords, I thank the Minister for her detailed response. I note that my noble friend Lord Foster of Bath is probably the only person this afternoon who is receiving a positive "thumbs-up" response, to his determined campaign for electrical safety. That is one win for my noble friend, and some "maybes" for the rest of us.

I have listened carefully to the answers the Minister gave to the amendments in the name of the noble Baroness, Lady Hayman of Ullock. I will check because some of them sounded acceptable, but I am not sure about leaving the regulator to determine the timing of the impact. I will read *Hansard* to see whether those issues should be pursued further.

That brings me to Amendment 5, on the sufficiency of housing, which is fundamental to any debate on social housing provision. I am sorry to say that I had a bit of difficulty with the response. It is all very well saying that other organisations provide statistics and scrutinise social housing provision numbers, quality, decency and so on, but we need in our legislation a regulator or the ombudsman to be able to state the facts and comment to the Government—and to have the stature to do so.

I will read what the Minister said carefully, but the essence of the argument seems to be, "There are other people who do it, so why should the Government?" The regulator should be concerned with housing numbers because it is required to think about and has a responsibility for the safety, provision and quality of social housing. Adding "sufficiency" to its list of responsibilities would be a positive move. However, I accept the Minister's supportive words on not only the number of houses but their suitability. With those comments, I beg leave to withdraw my amendment.

Amendment 5 withdrawn.

Clause 1 agreed.

5.30 pm

Clause 2: Advisory panel

Amendment 6

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

6: Clause 2, page 2, line 9, at end insert—

"(4A) In making appointments to the Panel, the regulator must give consideration to appointing persons from different regions of the United Kingdom."

Member's explanatory statement

This amendment would ensure regional diversity on the Panel.

Baroness Hayman of Ullock (Lab): My Lords, I will introduce my three amendments in this group. First, Amendment 6 is supported by the National Housing Federation and the Local Government Association. It would amend Clause 2 to ensure that there is diverse regional representation among the members of the proposed advisory panel and that those members can then provide the regulator with information and advice on issues that may arise or vary at a regional level.

The LGA has further suggested that the Bill could also ensure diversity of councils on the panel in terms not just of region but of authority size, the quantity and quality of housing stock and social housing management arrangements. We agree with the LGA that it is vital that the membership of the panel comprises a diverse range of councils so that consumer issues right across the sector can be effectively represented. However, although we support the panel, we are disappointed that the proposals stop short of making it a permanent national representative body for tenants. Why has the decision been taken not to make this permanent? Do the Government intend to review this at some stage?

Improving tenant engagement and listening to what tenants say is clearly one of the most important lessons from the Grenfell Tower tragedy, so tenants need to be right at the heart of the advisory panel. This is why I have put forward Amendment 7, which says that the panel must be chaired by a tenant with responsibility for agenda setting. I hope that the Minister understands why it would make a huge difference to tenants' trust and belief if the panel were to really give them a voice.

I thank the noble Lords who supported my Amendment 30: the noble Lord, Lord Young of Cookham, the noble Baroness, Lady Thornhill, and my noble friend Lord Whitty. It seeks to create a power for the Secretary of State to require managers of social housing to have appropriate qualifications and expertise. The fire at Grenfell Tower in 2017 was a stark example of what underregulated and unprofessional management in social housing can lead to. Bringing some level of professionalisation into the housing sector has been argued for consistently and cogently by members of Grenfell United. I thank them for their continued work and persistence and for the time they gave to discuss their concerns in this area with me.

Grenfell United believes that a more professional housing sector is one of the main ways by which to create a fitting legacy for the 72 lives that were so needlessly lost on 14 June 2017. In the social housing White Paper, the Government said that they would

"Review professional training and development to ensure residents receive a high standard of customer service."

But the Bill introduces no measures that would enable professional standards to be mandated in law. Poorly managed and maintained social housing can cause serious harm to renters' health and well-being—yet there are no requirements to be properly qualified or to undergo professional development.

Ministers have described social housing as the first social service. Well-managed social housing, offering adequate levels of support to residents, takes pressure off health and social care service as well as early years and school support services. But, first and foremost, we believe that professional qualifications and development should be mandatory for senior managers working in social housing. Qualifications and training should aim to provide housing management staff with the skills and knowledge needed to do the job, as well as instilling the values and ethics needed to deliver a care-centred service for residents.

Having senior staff with the appropriate skills and qualifications would ensure that the teams of housing officers and other junior staff that they manage are professionally run, thereby delivering a quality service for all residents. This would balance the need for professionalisation, while not creating barriers to housing associations and councils finding enough staff. We do not intend this amendment to be prescriptive: it requires regulations to define what types of work would require a qualification.

The Minister will no doubt be aware that the Government are currently conducting a review into professional standards within the social housing sector. We believe that there should be legislative backing to ensure that its conclusions can be implemented and upheld effectively. It is also important that the review is published in time for its recommendations to be considered as part of the development of this legislation, so can the Minister confirm that it will be available during the progress of the Bill?

Since the fire at Grenfell Tower, survivors and thousands of tenants of social housing have demonstrated time and time again that they do not have trust in the regulator on its own. The Government rightly recognised the need for action and accountability following the fire and promised a new deal for social renters. This amendment would allow for the monitoring and enforcement of professional standards in the social housing sector, including clear government direction and accountability. Surely this is an area in which the Minister could agree with us, and perhaps we could work together to take some of these issues further forward.

Finally, I am aware that my noble friend Lord Whitty has Amendment 47 in this group. I assure him that we support what he is trying to achieve with it, and I look forward to hearing more detail from him.

Lord Young of Cookham (Con): My Lords, I will add a brief footnote to the speech made by the noble Baroness, Lady Hayman, who spoke to Amendment 30, to which I have added my name, as she said. As we have been reminded throughout the debate, Grenfell Tower was a tragic reminder of the need for professional

[LORD YOUNG OF COOKHAM]
management in social housing. Unlike private tenants, social tenants have few options to move to an alternative landlord if they do not get the service that they are entitled to.

During the passage of the Bill on social care, I urged the Government to do more to drive up professional qualifications in the social care sector so that it could compete more effectively with the health service in the recruitment of staff, develop a proper career structure with improved conditions of service and, as a crucial outcome, drive up the quality of care received by the customers. Much of that argument applies equally to social housing, where many of those employed will come across vulnerable families and where those managing social housing need the capacity that comes with relevant training to ensure that those families get the support that they need.

I am well aware of the counterargument that was deployed in the debate on social care and that may well be deployed against this amendment—namely, that there are many committed people working in the sector who have no professional qualifications but none the less provide a first-class service, and we do not want to lose them. We also do not want to introduce barriers to entry for a service that often finds it difficult to recruit. But I believe that the amendment addresses those objections by requiring those managing social housing to have appropriate professional qualifications or satisfy specified requirements. There is sufficient flexibility, not least in proposed subsection (3), which refers to a

"specified qualification or experience of a specified kind".

Of course, the amendment only applies to those in a managing role, not others involved in the sector.

Now I believe that the Government are aware of this need to drive up standards and quality of management in the sector, as their White Paper said they would undertake to:

"Review professional training and development to ensure residents receive a high standard of customer service."

I am sure that the Chartered Institute of Housing, which represents those employed in the sector, would help develop the appropriate modules of training, building on its existing expertise—as indeed would the National Housing Federation. However, at the moment, the Bill is simply silent on this issue, which is highly relevant to the regulation of social housing. As the noble Baroness said, the department has set up a working group to review professional standards, but that is no substitute for the clear statement of intent set out in the amendment. As the noble Baroness said, we need to know when that working group will publish its report.

So what I think we are hoping for from the Minister in response to this amendment is a clear restatement of the principle set out in the White Paper, coupled with some identifiable milestones so we can monitor progress towards that destination, and a commitment to a serious and sustained dialogue with the professional bodies concerned so that we get the details right. I look forward to my noble friend's response.

Lord Whitty (Lab): My Lords, my name is attached to both Amendment 30, which was so ably moved by my noble friend on the Front Bench, and Amendment 47. I will not repeat everything my noble friend said, but I endorse all of it.

I will focus on the nature of the problems some tenants of social housing have encountered. In recent media exposés, we have seen serious problems in social housing—both local authority and housing association—of unaddressed conditions of damp, infestation and electrical faults. I will read an extract from a letter I received this morning from a tenant of social housing—I will not identify the landlord. The tenant says, "I have witnessed first hand terrible living conditions and treatment of tenants by my housing association. This includes illegal entry to properties, landlord harassment if a tenant makes an official complaint, poor repairs, failure to deal with severe anti-social behaviour from neighbours, lack of insulation, failure to decently carry out essential maintenance, poor fire safety and huge lies about cladding".

That is not a unique experience; we have seen enough of it to indicate the decline of the management of social properties in too many areas of local authorities and housing associations. The reasons for this are not clear, but it has been partly about the structure of the industry and because local authorities have been under severe financial pressure, which has starved them of the ability to staff issues such as maintenance and support. Meanwhile, it is also true that some housing associations have become, through mergers et cetera, too large to relate effectively to their tenants and their problems.

When social housing was at its best—for example, in the era that the noble Baroness, Lady Jones, referred to—local authorities and housing associations had substantial in-house expertise in their management and professional roles in areas such as architects, construction, maintenance and social support for tenants and their families. Much of that expertise has gone, due to pressures on local authority budgets and so forth. For example, the lack of construction expertise has put local authorities in the hands of developers when they propose major changes. In those days local authorities effectively had the whip hand in dealing with the building sector, because there was competition between a lot of local building companies—but they are now very much in the hands of the big housebuilders and developers. That changes the social responsibilities, and the result has been a failure of maintenance provision, toleration of damp and unhealthy conditions and, as other noble Lords have referred to, a general disdain for the views and knowledge of tenants. That is why I support Amendment 30.

5.45 pm

We need to reprofessionalise the personnel who run local authority housing, and, in many cases, that applies to housing associations as well. That requires both clear qualifications for the management and professional jobs, and regular and effective inspections by the regulator. The Bill starts to introduce that, but, as the noble Lord, Lord Young, said, it needs substantial strengthening. Without a step change in the quality of

housing staff in both sectors, social tenants will too often continue to get a raw deal and continue to be largely ignored if they express their concerns. As we know, this was tragically the initial and most substantial failure in the case of Grenfell, where the tenants had expressed over the years the problems which the building, and the refurbishment of the building, were likely to present. Let us, therefore, in this limited Bill provide for better staffing of local authorities and housing associations, and better regulation, inspection and enforcement of the quality of staffing—as is provided in Amendment 30.

I acknowledge that my second amendment, Amendment 47, deals with a very particular area relating to the situation in which local authorities or housing associations are proposing a major redevelopment or regeneration scheme—and in many cases those schemes may be felt to be necessary. However, when regeneration has the effect of changing dramatically either the physical nature of the housing or the balance of tenure of the estate, or both—as such big proposals do in many cases—it is important that there is effective consultation with the tenants and other residents. I would argue that this should include both tenants and leaseholders, but social landlords are dealt with in relation to tenants in this Bill.

In another context that I mentioned earlier, I referred to the preference of planning authorities and developers for demolition and for changing the whole nature of a council estate. I discussed this in terms of carbon content and environmental consequences. However, there are also social dimensions to what is normally the dominant developer preference, often by both the local authority or housing association and the planning process itself. Major regeneration plans need to be subject to the genuine support of existing residents, and a proper consultation needs proper rules.

There are cases where ballots are proposed—Amendment 47 deals with this—but the terms of the consultation need to be fair and clear. Ballots may be required for large-scale developments by government policy, by local authority planning policy, or by situations attached to a particular proposal. Alternatively, they may be voluntarily proposed as the best means of a social landlord consulting their tenants. By their nature, such ballots are normally, but not in all cases, binary: you either support the proposition coming from your landlord and the developer, or you do not. In a few cases, there are more options. Whether the conduct of those ballots is either binary or with options, it needs to be fair, and recent experience in both sectors has suggested that it has not been fair. The developer and the landlords use all their advantages to advocate their proposition. The way their proposals are defined and presented, and the timing and the description of what the alternative of no action would imply, are all aspects of the propaganda provided for residents and reflect the view of the landlord—who, in turn, is often dominated by the proposals of developers.

Amendment 47 covers agreement on the wording and presentation of the options in such ballots and the information provided for each option, including the status quo; if there is an organised opposition case, then there should be equivalence of information on each option, equal funding in those circumstances for both or all options, which is particularly important in any form of democracy, and the proper identification of all residents entitled to vote. Regrettably, where consultation ballots have been conducted, these basic rules of democracy have in many cases emphatically not been followed. The regulator needs the power to deal with these issues and I hope that Amendment 47 in some form, not necessarily the form in which I have put it here, will be part of its responsibilities.

Baroness Thornhill (LD): My Lords, before turning to Amendment 30, to which I have added my name, I will make some brief general comments about the amendments and say that we strongly support Amendment 6 in the name of the noble Baroness, Lady Hayman of Ullock, on regional reps. Normally, I am not a fan of what I would call tokenistic representation but I feel in this case that it is absolutely essential because the regional variation in housing is massive. We go so far as to feel that there should be regional panels for precisely this reason. We appreciate that that would be pushing it too far here, but we are the party of regionalism, after all.

With regard to the chairing of the panel, I understand the need to have the tenant's voice at the heart of this, but our concern is that if it were prescriptive you may not get the best person for the job and that is who we would want for this crucial role. If we have a concern around the panel, to be blunt, it is its size and its remit. We fear that it will just be a talking shop.

Turning to Amendment 47, I wholeheartedly agree with the noble Lord, Lord Whitty, about regeneration, but feel very strongly that a neutrally phrased question should also apply to ballots on stock transfer. I appreciate that stock transfer is an incredibly loaded political issue, but I genuinely believe that tenants should have—and can be denied—the right to change their landlord, as the noble Lord, Lord Young, said. That is especially the case sometimes when the landlord is the council. Instead, we believe that empowering tenants and giving them a stronger voice at all levels might be stronger in cases of both regeneration and stock transfer.

In many ways I am surprised that Amendment 30 is not part of the Bill. To a lay person, it would seem rather puzzling to imagine that any organisation would be able to do the scale of the job that the Bill is asking them to do without a range of suitably qualified senior managers. The challenge is huge and we want them to succeed—more so as many of the general concerns about the Bill, which, as we have said, enjoys wide, cross-party support, are around capability and capacity, whether of the Government centrally or within the sector. Do they, as a whole, have the skills and capacity to effectively deliver what the Bill proposes and what we all expect, not least what is expressed by all those who are part of Grenfell United, who fully support this amendment?

In my 30 years of being involved in local government, I feel that this is one area that has witnessed incredible changes in the housing sector, most notably in the demands placed on it. It was lovely to hear the noble Baroness, Lady Jones, saying how proud her parents were of their council house and to go back to those

[Baroness Thornhill]
days when councils and providers were managing well and coping, on the whole. Now they are stretched, on occasion to breaking point, and permanently under pressure.

During this time, Governments have rightly increased statutory responsibilities on councils and housing providers for higher and better standards to meet changing circumstances. As we know and has been evidenced today, providers have obviously been behind the curve and been caught napping.

Social housing is very scarce resource, which, due to the woeful lack of it, has to be rationed. I do not envy anybody in the job of rationing that scarce resource. It means that people turn up at their council at crisis point, which is very challenging to deal with. A day with a housing officer in my early days as a councillor was a real eye-opener.

I conjecture that the training and development of staff is not always the top priority for an organisation under pressure; ironically, it should be. A suitably qualified professional manager would ensure that this was a priority and not a case of "If we can find time for it" or "Turn up to the training if you can". The attitude of other employees is also influenced by the tone set on training and development by their managers. They can respect their expertise, demonstrated through their qualifications, which, in turn, contributes to the overall culture of the organisation. It is surely at the heart of the Bill to change the culture of any failing organisation. This is why I find it hard to believe that there is no statutory footing for the greater professional management of this most valuable sector, in line with other statutory services, such as health professionals, teachers and social workers.

It is worth noting that, as social housing has become scarcer, it is those in greatest need who are now rightly housed as a priority. Indeed, the social housing Green Paper has, as someone mentioned, described the sector as the "first social service". Attention to the most vulnerable in our society takes huge skill and expertise and needs to be well managed.

I note that the National Housing Federation has expressed concern about this amendment, citing existing problems with the retention and training of committed and skilled staff and the ever-present, not to be minimalised, financial strain on providers to fulfil the core requirements of the Bill. That is why we believe that this amendment is much needed for the Government to encourage, cajole and push all the relevant parties, including the federation and the LGA, to work together to address this worrying situation as it currently is. We believe it will completely undermine the whole purpose of the Bill if that is not given serious attention. The chair of a tenants' advisory service recently said that we do not want to look back in five years and realise that we have been simply rearranging the deckchairs on the "Titanic". I agree with her.

6 pm

Baroness Sanderson of Welton (Con): My Lords, I will speak to Amendment 30 in this group, but I first apologise for not being able to speak at Second Reading. Secondly, I declare my interests, as set out in the register, as someone who works with both the Grenfell community and Theresa May, who I shall mention in a moment.

The Grenfell Tower fire exposed a host of social housing issues, but in terms of this amendment it is important to highlight one in particular: the stigma that existed then and exists now, and which will continue to exist unless we take practical steps to do something about it. As the Green Paper on social housing showed, and as Theresa May said as Prime Minister:

> "Some residents feel marginalised and overlooked, and are ashamed to share the fact that their home belongs to a housing association or local authority. On the outside, many people in society—including too many politicians—continue to look down on social housing and, by extension, the people who call it their home … Our friends and neighbours who live in social housing are not second-rate citizens."

But for that issue to be addressed, those friends and neighbours must not be treated like second-rate citizens, not just by those on the outside but those on the inside, whose job it is to manage their homes.

We know from the Grenfell Tower inquiry what happens when the job is not done properly, when there is poor management and maintenance, no care and no respect, and when repeated pleas fall on deaf ears and people begin to lose hope. We also know that this was not a one-off. As the noble Lord, Lord Whitty, alluded to, the work done by Daniel Hewitt of ITV News and Kwajo Tweneboa on social media has proved beyond doubt that this is a widespread and deep-rooted problem.

I am not sure how we can expect the sector to improve unless we take active steps to professionalise it. We need to encourage people into the profession, to instil a sense of pride in what can be a difficult but rewarding career, and we need to recognise the essential part that social housing managers play in creating a thriving community, alongside our teachers, nurses and social workers, all of whom we expect to be qualified. As one resident of Grenfell Tower who was here earlier said, "You wouldn't send your child to a school where the teacher was unqualified." A properly functioning social housing system is just as important to a child's welfare as its education.

As has been mentioned, it was the Conservative manifesto of 1951 that stated that housing

> "is the first of the social services".

It went on to say that

> "work, family life, health and education are all undermined by crowded houses."

The argument then was about numbers, and it still is—but it is also about standards and acknowledging the modern-day complexity of these roles. By registering social housing managers and ensuring that they have relevant qualifications, we can begin to drive up standards. As Shelter has pointed out, it also means that it will be better equipped to support residents suffering from domestic abuse or racial harassment, or who may be caught up in youth violence or harassment by criminal gangs.

The Government have already recognised the need for improvement, and they have launched a review. I appreciate that they need time to respond to that review, but if the response is not going to be available as the legislation progresses, it would be a terrible

irony if that became the reason to reject this amendment, which is measured and reasonable in scope. It is not asking for that training to be made mandatory now; it is merely asking that the Secretary of State be given the power to establish requirements for qualifications and training in regulations. That seems reasonable to me, and this is the right legislation in which to place this power. If we miss this opportunity, it could be years before there is another chance. The Grenfell community has waited long enough for the change we promised them.

Doing it now will also allow the Government to be fleet of foot—a rare occurrence—when the time comes for professionalisation, as it surely will. Awareness of the problems in social housing is growing all the time, and with it so will calls for professionalisation. Meanwhile, we should be aware that lawyers representing the bereaved and survivors at the Grenfell Tower inquiry will be proposing professionalisation in their submissions concerning future recommendations, which will be heard later this year.

Instigating this change does not need to involve the creation of a whole new body. As my noble friend Lord Young mentioned, the Chartered Institute of Housing has an existing framework of qualifications, professional registration and a code of ethics and values, and this could all take professionalisation forward. There may need to be some tweaking, of course, but the infrastructure is already there. To that end, will the Government consider this amendment as one which will bring meaningful and lasting change?

I have probably spoken for long enough, but I leave the last words to the Grenfell community. As I have said before in this place, and as is relevant again now, they want Grenfell to be remembered not for what happened on the night but for all the positive actions that have flowed as a result. They believe passionately that professionalisation can be one of the most important elements of the legacy they have fought so hard for, for many years. We owe it to them to give this proper consideration.

Baroness Scott of Bybrook (Con): My Lords, I thank the noble Baroness, Lady Hayman of Ullock, and the noble Lord, Lord Whitty, for tabling amendments relating to tenant engagement.

I begin with Amendment 6, in the name of the noble Baroness, Lady Hayman, which would require the regulator to consider appointing persons from different regions of the United Kingdom to the advisory panel. I hate to do this, but I point out that the Bill relates to the regulator of social housing in England alone. Therefore, it would be inappropriate to require representation on the advisory panel from the regions across the United Kingdom. That is a technicality that I should point out.

However, I understand that the aim of the amendment is to ensure that the panel is made up of a range of views. The social housing White Paper made it clear that the purpose of the panel was to provide independent and unbiased advice which would support the transformative change needed and build trust with tenants and social landlords across England. I am more than happy to put it on the record that I am clear that this means that the advisory panel has to be properly representative. I know that the regulator is fully committed to ensuring that that is the case. I am also sure that future Ministers will take a keen interest in ensuring that the advisory panel is delivering the broad representation we expect.

The noble Baroness, Lady Hayman, asked whether councils will be on the advisory panel. The Bill specifies a number of groups that must be included on the advisory panel. That includes councils, and we would expect the regulator to seek diverse views, including among local authorities. She also asked whether the Government will review the temporary nature of the advisory panel. As previously mentioned, the new regulatory regime will be reviewed after a four-year regulatory cycle, and that includes the advisory panel and its effectiveness. However, the panel is not envisaged to be a temporary body; it will continue to offer advice to the regulator on the discharge of its functions.

The noble Baroness, Lady Thornhill, said that she believes that prescribing factors that must be considered in deciding who makes up the panel is unnecessary and could tie the hands of the regulator. I agree—in fact, it might hamper the regulator's ability to balance a range of factors to get the best range of views. The regulator already has several mechanisms for engaging with stakeholders, including a non-statutory advisory panel, which includes engagement with representatives from across regions within England. I hope that this reassures the noble Baroness that the Government are committed to ensuring that the panel is representative, including voices that reflect issues and views from across the country—that is, England.

Amendment 7 in the name of the noble Baroness, Lady Hayman of Ullock, would require a social housing tenant to chair the advisory panel and to have responsibility for setting its agenda. I am sympathetic to what drives this amendment—empowering tenants and ensuring they have a voice, which is what the Bill is all about—but I do not agree that it is desirable for the legislation to specify how the panel should operate or who may lead or set the agenda in this way.

I should make it clear that the panel is intended to allow a collection of diverse voices to share their knowledge and opinions with the regulator. I would also expect the advisory panel, with the regulator, to shape how it works and what it considers. I do not believe that having a tenant set the agenda, as chairman of the panel, is necessary to ensure that the views of tenants are heard. The Government also want the panel to consider the full range of other regulatory issues that the regulator has to tackle. While consumer issues are rightly at the forefront of the Bill, we are determined that the importance of economic regulation should not be diminished. A requirement for a tenant to chair and set the agenda would not support what we are trying to achieve. As I have said, in practice I expect that all members of the advisory panel, along with the regulator, will shape its agenda and how it operates.

I now turn to the important Amendment 30, also in the name of the noble Baroness, Lady Hayman of Ullock, which relates to professionalisation of the social housing sector. It is supported by the noble Baroness, Lady Thornhill, the noble Lord, Lord Whitty,

[Baroness Scott of Bybrook]
and my noble friends Lord Young of Cookham and Lady Sanderson of Welton, and I will speak more about it in a bit. We know how important it is that social housing staff carry out their roles with a high degree of professionalism. That is why our social housing White Paper committed to review professional training and development in this sector, and to consider the appropriate qualifications and standards for social housing staff in different roles, including senior staff. To inform the review, we established a working group made up of resident groups, landlords, professional bodies and academics. We also commissioned independent research and undertook fact-finding visits to gather a wide range of evidence. We are now considering the most effective means of improving professionalism in the sector.

The noble Baroness's amendment would allow the Secretary of State to set a requirement for persons engaged in the management of social housing to hold specified qualifications and undertake ongoing professional development, such as participation in or completion of a specified programme or course of training. We agree that these proposals have merit, and that tenants should have access to staff who listen and respond to their needs. That is why is it important that this matter be given proper consideration, which I can confirm very strongly is being given at this time. To answer the question of the noble Baroness, Lady Hayman of Ullock, as I have said, we are working hard to fully assess the merits of different options to address this important issue and we will set out the Government's preferred approach as soon as possible. I can assure the Committee that I will talk to the Minister personally, whoever that may be, to reflect the views of the Committee on this important issue.

I thank my noble friend Lady Sanderson of Welton not just for her input into this debate but for all the work she has done to support the Grenfell community since the fire. We all know that she has put in a lot of work, time and effort—thank you. This is probably not what the Committee wants to hear, but I will take this on personally and come back to Members who have shown interest before we get to Report with a new Minister.

I turn now to Amendment 47 in the name of the noble Lord, Lord Whitty, which concerns the regulator's powers to intervene if a ballot on issues such as regeneration and stock transfer is not being conducted reasonably, transparently or equitably. Ballots are an important way for landlords to involve tenants in the decisions they take. We expect consultations to be meaningful and genuinely seek to hear and act on the views of tenants. Guidance is readily available on resident engagement in regeneration, and statutory guidance on local housing authority stock transfers covers consultation requirements.

In addition, tenant involvement and empowerment is a core part of the regulator's consumer standards. Where a registered provider is proposing a change in landlord or a significant change in management, the regulator expects registered providers to consult in a fair, timely, appropriate and effective manner. The Bill strengthens the regulator's ability to intervene if a provider is systematically failing to consult fairly with tenants. Tenants will be at the heart of the new consumer regulation regime, and the views of social housing tenants and other sector stakeholders will play a crucial part in shaping it. Following these reassurances, I ask noble Lords not to press their amendments.

6.15 pm

Baroness Hayman of Ullock (Lab): I thank noble Lords for their support, particularly for my Amendment 30, which is an important amendment on a subject the Government have talked about before: professionalisation of the service. I also thank the noble Baroness, Lady Sanderson, for all the work she has done and for the speech she made. She talked about legacy and what the Grenfell Tower community wants to see from this. I shall repeat what I said in my speech, and to which she referred: Grenfell United believes that a more professional housing sector is one of the main ways in which to create a fitting legacy for the 72 lives that were lost. We need to keep that right at the heart of what we are trying to achieve.

I thank the Minister very much for her response. She referred to the review, which is clearly important and shows that the Government are looking seriously at professionalisation. I am pleased that she believes my amendment has merit—that is very important—and that proper consideration will be given to it. As we move through the Bill, this is one area on which we can make some genuine progress and she will have our support in doing so. I beg leave to withdraw the amendment at this stage.

Amendment 6 withdrawn.

Amendment 7 not moved.

Clause 2 agreed.

Clause 3: Collection of information

Amendment 8

Moved by ***Baroness Scott of Bybrook***

8: Clause 3, page 3, line 31, at end insert—

"(ba) in subsection (3), omit the words from "not" to the end;"

Member's explanatory statement

This amendment makes a consequential amendment to section 108 of the Housing and Regeneration Act 2008 which is needed following the addition of the new offence by clause 3 of the Bill.

Baroness Scott of Bybrook (Con): My Lords, the amendments in this group relate to economic regulation and refinements to the regulatory framework, as well as fee-charging powers for both the Regulator of Social Housing and the Housing Ombudsman. Amendments 20 and 46 deliver the social housing White Paper commitment to ensure that the regulator is notified if there is a change in who controls a registered provider. At present, there is no obligation for registered providers to notify the regulator where such a change occurs. This may be detrimental to effective regulation, as a change in

control can be a clear indicator of substantial changes to a registered provider's business model or governance structure.

Amendment 20 sets out the circumstances that constitute a change of control. First, it introduces a new Section 169CC into the 2008 Act. Broadly, this requires the regulator to be notified if more than 50% of the board members of a registered provider change in a 12-month period. Secondly, a new Section 169CD requires notification where a registered provider becomes or ceases to be a subsidiary of another legal person, such as another body. Amendment 46 defines "subsidiary" in relation to this provision. I believe this a sensible change that will ensure the regulator is notified of significant changes that might affect a provider's business model and/or governance structure.

I turn now to the amendments relating to the Housing Ombudsman. Clause 31 will improve complaint handling in the social housing sector by empowering the Housing Ombudsman to issue new types of orders and placing the complaint handling code on a statutory footing. Amendment 49 seeks to take this further by placing a duty on the Housing Ombudsman to monitor the compliance of its member landlords with the complaint handling code. This will identify the landlords that are not meeting the standards set out in the code. The ombudsman may then issue these landlords with complaint handling failure orders to rectify any issues identified and, if required, refer the matter to the regulator.

Government policy is to maximise the recovery of costs of arm's-length bodies, which both the Housing Ombudsman Service and the regulator already seek to achieve. Amendments 50 and 51 clarify that the Housing Ombudsman is able to fund all its costs through fees charged to member landlords. This would include the cost of enforcement activities, whether those activities were connected to that member or not, such as the costs incurred by any compliance monitoring activities required to meet the duty set out by Amendment 49. This will maintain consistency with the current funding model for the Housing Ombudsman, which is 100% funded by member landlords.

The Regulator of Social Housing will see substantial growth in its regulatory activity when the new consumer regulation regime is implemented, which means that its costs will increase significantly. As a number of noble Lords pointed out at Second Reading, it is important that the regulator is provided with the funding to enable it to deliver the outcomes this Bill seeks to achieve. However, certain activities are currently not charged for. Amendment 10 will ensure that the regulator can recover an even greater part of its operating costs from the sector.

New subsection (4A) will make clear in the legislation that the powers available to the regulator to charge fees include charging for costs that may be unconnected with the specific fee-payer. For example, this would ensure that the costs of investigation and enforcement activity can be recovered through fees. This amendment also enables the regulator to charge all applicants an application fee, not just those that are eventually successful. The regulator is required to consult on any significant changes to the fees regime, which will enable stakeholders to have their say on how a new fees regime will work. Fees principles are also subject to approval from Ministers.

I turn now to other, more minor amendments in this group. Amendment 25 seeks to remove Sections 198A and 198B of the Housing and Regeneration Act and replaces Clause 20 of the Bill which solely removes the serious detriment test. Amendments 23, 26, 31, 34 to 42, 45, 57, 58, 61, 63 and 64 mean that as well as removing the serious detriment test, the overarching grounds for the use of monitoring and enforcement powers are replaced by appropriate, tailored grounds for each of those powers. These changes do not mark a major change from the existing regime but provide greater clarity on the grounds for the use of the regulator's powers.

Amendment 43 makes changes which will allow the regulator to use the power to appoint board members where there are none, but an officer remains, addressing the gap that currently exists. This amendment also clarifies that the regulator can appoint officers where a provider has failed to meet a regulatory standard. Amendment 44 makes clear that the regulator does not need to wait until the expiry of a term of appointment of an officer before renewing the appointment. It is vital that the regulator can act decisively and effectively, and Amendments 43 and 44 support this goal.

Amendments 8, 9, 60 and 62 remove redundant text setting out maximum levels of fines for offences under the Housing and Regeneration Act 2008, now that the Legal Aid, Sentencing and Punishment of Offenders Act 2012 has removed these limits in practice.

Amendments 13, 16 and 18 extend existing moratorium provisions to unincorporated charities. The housing moratorium is an important protection as it provides time for the regulator to work with a provider and secured creditors to try to find the best solution where a provider gets into financial difficulty. Amendment 55 clarifies that all charities are subject to the existing accounting requirements in Section 135 of the Housing and Regeneration Act 2008. Section 135 sets out the expectations on charities in relation to their accounts, including, for example, the requirement on a charity to prepare a balance sheet for each period that gives a true and fair view of the state of affairs of the charity.

Sections 129 to 133 of the 2008 Act contain requirements in relation to accounts of registered providers that are companies. Amendment 15 applies these provisions to limited liability partnerships, or LLPs. Section 120 of the 2008 Act sets out requirements for the regulator to notify other relevant bodies where it registers or deregisters a social landlord. At present, the requirements do not apply in relation to registered providers that are LLPs. Amendment 14 extends Section 120 to LLPs. Section 122 of the 2008 Act restricts the making of gifts and the payment of dividends and bonuses by a non-profit registered provider. Amendment 54 expands subsection (6) of this provision, which allows for the recovery of wrongful payment, so that it applies to non-profit registered providers of all types.

These amendments will help ensure that the correct regulatory framework is in place, and that both the Regulator of Social Housing and the Housing Ombudsman are able to recover costs to deliver maximum cost recovery. I commend these amendments to the Committee.

Baroness Pinnock (LD): My Lords, first, I thank the Minister for the letter she sent prior to the Committee today, explaining the reasons for the 42 government amendments that were tabled during the Recess and which she has had to explain today. I appreciate that they are technical amendments, but I find it a bit concerning that, time and again, government Bills are published without the minutiae of the implications having been checked. The consequence is that we have myriad alterations today. However, I thank the Minister for going through them in detail—it is clearly not her fault that she has had to do so. With that, I accept what she has said.

Baroness Wilcox of Newport (Lab): The government amendments are mainly of a technical nature, and Her Majesty's Opposition broadly support their introduction. However, some of them introduce slightly more significant changes, and it is right that the Committee should consider these in more detail. Could the Minister explain the purpose of the amendments which repeal Sections 198A and 198B, and further confirm what consultation, if any, has taken place on these changes?

I also ask the Minister for further information on the operation of Amendment 49, and consequential amendments, which will mean that the Housing Ombudsman monitors its own compliance with the code of practice. In particular, can she explain the safeguards to prevent it marking its own homework—a device I rarely used with my own pupils?

6.30 pm

Baroness Scott of Bybrook (Con): My Lords, I have so much paperwork here, so may I please read that question in *Hansard*? I will make sure that the noble Baroness receives a timely response. I will also put it in the Library and send it to all Members who have taken part in this debate.

Amendment 8 agreed.

Amendment 9

Moved by ***Baroness Scott of Bybrook***

9: Clause 3, page 3, line 32, leave out ", after "107(6)" insert "or (6A)"" and insert "—

(a) in the words before paragraph (a), after "107(6)" insert "or (6A)";

(b) in paragraph (a) omit the words from "not" to the end"

Member's explanatory statement

This amendment makes a consequential amendment to section 108 of the Housing and Regeneration Act 2008 which is needed following the addition of the new offence by clause 3 of the Bill.

Amendment 9 agreed.

Clause 3, as amended, agreed.

Amendment 10

Moved by ***Baroness Scott of Bybrook***

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

"Power to charge fees

(1) Section 117 of the Housing and Regeneration Act 2008 (fees) is amended as follows.

(2) In subsection (1)(a), after "fee" insert "for dealing with an application".

(3) After subsection (1) insert—

"(1A) The regulator may make dealing with an application for initial registration conditional upon the payment of the fee."

(4) In subsection (2) omit "initial or".

(5) After subsection (4) insert—

"(4A) The amount of a fee payable under this section may be calculated by reference to costs incurred, or likely to be incurred, by the regulator in the performance of any of its functions, including costs unconnected with the fee-payer and costs unconnected with registration or regulation under this Part."

(6) In subsection (5)—

(a) in paragraph (a), for "expenditure on" substitute "the costs incurred in";

(b) omit paragraph (b) (but not the "and" following it);

(c) in paragraph (c), for "to which it relates" substitute "incurred, or likely to be incurred, in the performance of the regulator's functions"."

Member's explanatory statement

This makes it clear that the regulator may charge fees for dealing with applications for registration (even if unsuccessful) and may require payment in advance. It also makes clear that fees may be set at a level to cover all of the costs of the regulator, including, for example, costs unrelated to the registration process.

Amendment 10 agreed.

Debate on whether Clause 4 should stand part of the Bill.

Lord Young of Cookham (Con): My Lords, I cannot help thinking that the government amendments seem to have had an easier time than the amendments from the rest of the Committee.

I want to oppose the proposition that Clause 4 should stand part of the Bill. This is a probing suggestion, following up a point I made at Second Reading about the potential overlap between the role of the Housing Ombudsman on the one hand and that of the Regulator of Social Housing on the other. I am all in favour of empowering social tenants and enabling them to drive up the quality of the housing in which they live and the quality of the management of the social housing stock. However, there is a risk of confusion as the roles of the ombudsman and the regulator begin to merge.

In response to my concerns, when winding up the Second Reading debate, the Minister said:

"I point out that there is a long track record of close working between the regulator and the ombudsman, and we are ensuring effective information sharing between them. The proposals in the Bill will reinforce and strengthen the co-operation that already exists. We are also delivering a communications campaign to tenants so that they know where to go and are well informed".—[*Official Report,* 27/6/22; col. 469.]

The department then sent me a document, headed *Regulator of Social Housing and Housing Ombudsman's Roles and Responsibilities*. It is some six pages long, indicating that there is clearly a need for a detailed explanation. This document complements a five-page memorandum of understanding, published two years ago.

There are two sentences in the recent document which set out what I thought the respective roles were. One says:

"The regulator does not intervene in individual complaints or mediate in disputes between tenants and landlords."

This statement simply is not true. The Regulator of Social Housing can intervene in individual complaints. The social housing White Paper expects the Regulator of Social Housing to

"undertake specific, reactive investigations and/or inspections where appropriate. This could be when a serious potential compliance breach has been brought to its attention by tenants".

The briefing notes that accompanied the Queen's Speech reinforced this by referring to the powers of the regulator to arrange emergency repairs to a tenant's home following a survey. By definition, the regulator can do this only if he has intervened in an individual complaint. The regulator also has the means to rectify these complaints himself, as is contained in Clause 24. It is clear from that that the regulator can move from the systemic down to the detailed.

The other sentence is about the ombudsman. The document says that his role is to resolve disputes between tenant and landlord. It would be fine if it stopped at that but, again, his role is far wider and begins to encroach on the role of the regulator. He can move up from the detailed to the systemic. The social housing White Paper says that his remit includes the powers to investigate potentially systemic issues arising through complaints. He has issued a code, setting out good practice for landlords; he can initiate investigations of his own if an individual case is indicative of wider failure, again trespassing on the role of the regulator; he can use insight and data to identify trends in complaint type; he can carry out thematic investigations into issues affecting the sector, producing regular spotlight reports; he can share expertise, insight, experience and learning to influence the sector to drive a positive complaint-handling structure, again overlapping with the role of the regulator. The objectives I have just mentioned are emphasised in the corporate plan for 2022 to 2025 and in Clause 31 of the Bill. It seems that there is a clear risk of confusion, duplication and overlap between these two bodies.

The Explanatory Notes to the Bill refer diplomatically to the overlap to which I have just referred:

"The regulator and the housing ombudsman both have a role in overseeing the performance of social housing landlords".

Exactly. I note that the memorandum is to be revised—in the words of the document to which I referred earlier—

"to provide clarity following the passage of the Bill."

I hope we can find some clearer demarcation of the roles which avoids mission creep by both, but also ensures that there is not a gap between the two. One could argue, as the memorandum effectively does, that these two individuals are grown-ups, can work amicably together and can sort out who does what—and I am sure they do. However, I still do not think it right to leave potential overlap and duplication to the good will of two individuals.

My second concern is for the tenants who now have two bodies they can turn to if their complaint to the social landlord is not resolved: the Housing Ombudsman and now the Regulator of Social Housing. The ombudsman can make awards and recommendations, but he cannot, for instance, enter premises to remedy specific failures. If I were a tenant—and particularly if there were a backlog of complaints to the Housing Ombudsman—I would probably head for the Regulator of Social Housing since he has more powers. Is he geared up to cope with this?

In its briefing for this debate, Shelter says it is vital that the regulatory roles of the ombudsman and the Regulator of Social Housing are clearly defined, that tenants and tenant groups understand how to complain and that any complaints process or system is easy to use, accessible and effective. That leads me back to what my noble friend Lord Greenhalgh said at Second Reading:

"We are also delivering a communications campaign to tenants so that they know where to go and are well informed".—[*Official Report,* 27/6/22; col. 469.]

This is crucial. Can my noble friend the Minister say a little more about this, as the briefing from Shelter indicates that a tenant with a complaint about his or her social landlord may not know who to go to?

As I said, my opposition to the clause is probing, and I hope that my noble friend can assure me that these concerns will be taken on board.

I have also added my name to Amendment 29, which will be spoken to by the noble Lord, Lord Best, and which deals with the frequency of inspections. The social housing White Paper says that large providers should be inspected every four years, but there is no commitment to this in the Bill. I just want to make one point about this.

When I discussed the amendment with Shelter, before I added my name, I asked it to contact the National Housing Federation, as this obviously affects its members and, as we have heard, has financial implications for them. Shelter replied:

"We were able to meet with the NHF to discuss the amendments last week. They do not have a formal position on the amendments themselves. This is largely because they are a large membership body, and it would require posing the question to all their members."

However, it did say that it had no real concerns about the amendments and is generally supportive of them, and agrees that more scrutiny and monitoring standards are needed. Its main priority is ensuring that its members are informed of what is in the Bill, to ensure that they are best prepared to implement the changes when they happen.

Its only potential issue was the inspections amendment applying to smaller social landlords. But with the amendment being a regulation-making power and not prescriptive, Shelter continued,

"we feel that it allows the Government/regulator flexibility to have different requirements on inspections for social landlords of different sizes."

Basically, the National Housing Federation is broadly supportive of this amendment.

Against that background—and with, I am sure, the compelling oratory of the noble Lord, Lord Best—I hope that the Government will respond positively to Amendment 29. In the meantime, I beg to move that Clause 4 be not added to the Bill.

Lord Whitty (Lab): My Lords, I agree in part with what the noble Lord, Lord Young, says, but we need some degree of clarification. Therefore, I hope that the

[Lord Whitty]
Government will be able to produce more complex and clear regulations as to the relationship between the two organisations.

It is slightly incongruous that my Amendment 11 is also in this group. It is a simple amendment, and I shall be brief for obvious reasons. It would add, in the designation in Clause 9 of the role of the designated health and safety officer, that mental health and well-being should be taken into account in terms of their duties. It is clear from many of our personal experiences and from the media coverage which the noble Baroness, Lady Sanderson of Welton, recently referred to, that failures to deal with problems in social housing both cause and aggravate mental health problems and cause anguish and distress among tenants and their families. For that reason, we need to write it in the Bill because, in terms of prioritisation on issues with which the designated health and safety officer will be faced, it is important that he or she takes into account the mental anguish and the consequential mental health problems of tenants who are, regrettably and deplorably, in these circumstances.

Lord Best (CB): My Lords, I will speak to Amendment 29, in my name and the names of the noble Baronesses, Lady Hayman and Lady Thornhill, and of the noble Lord, Lord Young of Cookham, who has already spoken; I am grateful for his comments. The amendment obliges the Regulator of Social Housing to carry out regular, routine inspections of the registered providers of social housing.

The principal justification for regulation at present—with extensive regulation of governance and financial affairs—has been to protect the taxpayer, who has paid for a significant, although much diminished, proportion of the spending by these bodies. But, as the Bill recognises, the very valid justification for effective regulation today is to protect the consumer—the tenant, the resident. This aspect of regulation has been seriously neglected.

Even though most housing associations are charities, and all except the strange new breed of so-called for-profit registered providers exist for the public good rather than their shareholders' returns, the interests of the consumer still require all these organisations to be subject to the watchful eye of an external, independent agency. Sadly, no organisation is immune to making mistakes or becoming complacent, insensitive, deaf to the voice of their consumers, customers, citizens. This can be an increased hazard for the housing associations that have grown dramatically over recent years, to which the noble Lord, Lord Whitty, made reference; several now own and manage over 100,000 homes, accommodating a population equivalent to that of a major city. This brings accusations of registered providers being out of touch with their residents, lacking local knowledge, and becoming remote and uncaring. Reporting by ITV and others, which has been alluded to already, has uncovered very poor performance in some of the largest housing associations.

Meanwhile, being a relatively small organisation, and supposedly with shorter lines of communication between provider and consumer, is not a guarantee of good practice. After all, in the most serious case of the Grenfell tragedy, the organisation—a tenant management organisation within the council—was relatively small and entirely locally based, but it failed its residents disastrously. An ombudsman service can play a vital role—as the Housing Ombudsman does—in responding to tenants' complaints. However, this is no substitute for a regulator with the remit and powers to enforce proper standards and good practice in every social housing organisation.

So, given that effective regulation—particularly consumer-orientated regulation—is necessary and valuable, how can we ensure that the new regime introduced by the Bill actually succeeds in delivering decent standards, good management and maintenance services, and sensitive engagement with tenants and leaseholders? Amendment 29 seeks to address this.

6.45 pm

Amendment 29 is intended to make sure that the regulator conducts regular, routine inspections to check that its consumer standards are being met. The amendment is earnestly sought by the Grenfell United campaigners, working alongside Shelter, to make a reality of the Bill's intentions; indeed, this change to the Bill is the primary request of those who have been so appallingly affected by the previous inadequate regime. I met today with Edward Daffarn, the well-known Grenfell campaigner, and Tessa Barkham from the Grenfell Foundation. They made it clear that, after five long years of patient, painstaking, persistent campaigning, they are desperately hoping that the positive legacy of Grenfell will be a really robust system of effective regulation.

In this House we are well used to passing legislation to effect much-needed change, only to discover that the change we intended does not materialise. The problem is with the delivery. Our amendment aims to make sure that this fate does not befall the Bill. The amendment would hold the Government to their own commitment in last year's social housing White Paper to introduce routine inspections for all but the smallest social landlords. At that time, the Government suggested inspections "every four years" for providers with "1,000 or more homes". This amendment leaves it to the Secretary of State to determine the frequency of inspections for different organisations, for example of different sizes and proportionality, and to stipulate some minimum expectations for these. This allows for flexibility in responding to a changing environment. But the point is that the regulator would be obliged and made accountable to exercise the discipline of undertaking a regular inspection of each registered provider.

The Department for Levelling Up, Housing and Communities explains that the Government intend there to be—to quote its June press statement—"Ofsted-style inspections". This amendment puts that intention into the Bill. It revives arrangements I well remember experiencing when the regulator was the Housing Corporation and my housing association was paid periodic "monitoring visits", which certainly kept us on our toes.

This amendment gets to the heart of how real change in the current regulatory system can be effected. Without this clear obligation on the regulator to carry

out regular, routine inspections to ensure that consumer standards are met, the Bill may simply join the many Acts of Parliament that have the best of intentions but never actually make a difference. With this amendment, the Bill would achieve the outcome which the Grenfell campaigners are rightly seeking. It would take on board the Government's own commitment to this approach and would greatly increase the chances of the Bill achieving its central purpose of providing real consumer protection.

Baroness Pinnock (LD): My Lords, I will first of all speak to Amendment 29 in the name of the noble Lord, Lord Best. My noble friend Lady Thornhill was going to speak but unfortunately has had to leave; she is not feeling too well.

I will just say that it has been eloquently expressed why it is very important that this amendment is included in the substance of the Bill. It gets our wholehearted support and there is no need for me to say any more.

I will also speak to Clause 4 stand part. I added my name to that of the noble Lord, Lord Young of Cookham, after he raised the selfsame issue at Second Reading. It seemed that this was an area of confusion that we need to clarify before the Bill is passed.

The noble Lord, Lord Young of Cookham, explained that the extension of the powers of the regulator will almost certainly lead to confusion about the power of the Housing Ombudsman. They both have responsibility for seeing that social housing landlords treat their tenants fairly, and the regulator has considerable new powers to ensure safe and secure housing, including the power to obtain a warrant to enter a property if a landlord fails to comply, as set out in Clause 24. The regulator has been given huge powers of enforcement. What can the ombudsman do? Similarly in housing as elsewhere, the tenant turns to the ombudsman if there is an unresolved issue, but it does not have those extensive powers, as the noble Lord explained in some detail. It cannot make any practical intervention. All the ombudsman can do is write a report, make recommendations and possibly award compensation, if that is appropriate—that is it.

It is not clear to me, and I do not think it is clear in the Bill, at what stage the tenant should appeal to the ombudsman. Is it as a last resort, where the regulator's efforts have not provided a full solution—in which case, how will a complaint to the ombudsman help to resolve it? Is it envisaged that the ombudsman is the final arbiter where the regulator has not succeeded? If not, then whom? The section on appeals in the Bill is totally focused on an appeals system for registered providers; there is nothing in it about appeals for tenants. If the ombudsman is the final arbiter for tenants then more needs to be done to clarify the roles, responsibilities and powers of the ombudsman.

I am totally with the noble Lord, Lord Young of Cookham, in what he has said. There is confusion. I am looking at it from the side of the tenant. If there is an unresolved complaint—be it about rent, repairs or whatever the issue—where does the tenant go? They go first to their landlord and, if it is not resolved, they go to the regulator, because it will be a practical issue. The regulator has huge powers, so it ought to be resolvable, but if not, do they go to the ombudsman? What can the ombudsman do? From the tenants' point of view, this is not as clearly worded as it should be.

I hope the Minister will be able to say that she will go back to the department to sort out how each of these roles will work so that there is no confusion from the tenants' point of view, which is where I am looking at it from. I support the objection to Clause 4 standing part and look forward to what the Minister will say.

Baroness Hayman of Ullock (Lab): My Lords, my Amendment 33 is in this group. It would mean that the Secretary of State must bring forward an affirmative SI to make provisions for monitoring the compliance of social housing with the Homes (Fitness for Human Habitation) Act. I think we can all agree that there is not a lot of point in having a standard if it is not complied with. I hope that, by recognising that, the Minister will consider accepting my very simple amendment.

I have also added my name to Amendment 29, so ably introduced by the noble Lord, Lord Best. As he said, it would impose a duty on the social housing regulator to carry out regular inspections of all registered providers to ensure compliance with the regulatory standards. This is incredibly important, which is why I was very pleased to add my name to his amendment. He introduced it in such a way that we are all very clear why it is needed and would be an important improvement to the Bill, if accepted.

As it currently stands, reactive investigations are an important aspect of the system, but, unfortunately, they often come too late and sometimes they are too heavily reliant on other parts of the system revealing issues. We know that self-reporting by landlords can mask the scale or severity of problems and that action is sometimes not taken until it is too late. We need properly designed routine inspections that can be done at short notice so that we can uncover issues in a more timely manner and, most importantly, act as a deterrent to poor service and ensure that good practice is an everyday responsibility for landlords and their staff.

As we have heard from the noble Lord, Lord Best, when the Government introduced the social housing White Paper, they promised routine, Ofsted-style inspections. In this way, we would deliver a truly proactive system of regulation of social housing. As the noble Lord said, if we are genuinely to deliver what the Government seem to want with the Bill, we must ensure that good standards, right across the board, are delivered within the system. Having such inspections would help to achieve that, which is why we fully support his amendment.

I move to Amendment 11, in the name of my noble friend Lord Whitty, which we also strongly support. His amendment to recognise the impact of unsafe or overcrowded conditions on mental health and well-being is incredibly important. A lot is talked about the impact of poor housing standards on physical health; not enough is talked about their impact on mental health, so we strongly support his amendment.

Finally, I come to the opposition to Clause 4 standing part from the noble Lord, Lord Young, who, as always, introduced it very clearly and effectively. He was absolutely

[Baroness Hayman of Ullock]
right when he said in his introduction that we need clarification of the roles of and relationship between the regulator and the Housing Ombudsman. He talked about the overlapping of their responsibilities and the importance of avoiding confusion and duplication. If this is to be truly effective, everyone must know their role and each role must be effectively delivered. I shall be interested to hear the Minister's response and to see whether the Bill could be amended by the Government to try to bring clarification so that we do not get confusion once this becomes law.

I finish by saying that we have had a number of excellent discussions today on the Bill and I look forward to working with the Minister to positively move forward the issues we have raised today.

Baroness Scott of Bybrook (Con): My Lords, I thank my noble friend Lord Young, the noble Baroness, Lady Hayman, and the noble Lords, Lord Whitty and Lord Best, for tabling these amendments, which all relate to changes to the proposed proactive consumer regulation regime. I shall start with the opposition to Clause 4 standing part, raised by my noble friend Lord Young of Cookham. The noble Baroness, Lady Pinnock, and my noble friend Lord Young asked questions on the blurred lines and lack of understanding as to who does what. I shall try to explain.

7 pm

The noble Baroness, Lady Pinnock, asked who a tenant goes to if they have a complaint. They should go first to their landlord. In the event that the complaint cannot be resolved between the tenant and the landlord, the matter can be escalated to the Housing Ombudsman, who can investigate individual complaints from tenants. Under the principle of co-regulation, it is the responsibility of landlords to deal with, and be accountable for, complaints about their service. The regulator's *Tenant Involvement and Empowerment Standard* requires that they have clear and effective mechanisms for responding to tenants' complaints. If the complaint cannot be resolved between tenant and landlord then, as I said, the matter can be escalated to the Housing Ombudsman, but if there is evidence of systemic failure by the landlord to comply with the *Tenant Involvement and Empowerment Standard*, the Housing Ombudsman can refer the matter to the regulator. I will say a bit more about this in a minute, because there is confusion, and more clarity is required to take this forward.

Effective information sharing between the Housing Ombudsman and the Regulator of Social Housing is crucial to holding landlords to account and ensuring that complaints are dealt with fairly and effectively. To deliver this, we are seeking to legislate to strengthen the relationship between the Housing Ombudsman and the regulator. A key element of this is to put a requirement for a memorandum of understanding between the two bodies into statute. The current memorandum requires close co-operation and the sharing of relevant information and data, including evidence of potential systemic issues. This will be updated to reflect the new regulatory system of proactive consumer regulation. There is a strong track record of collaboration, and a strengthened memorandum of understanding, backed by statute, will enhance this relationship.

There is still much more to do to ensure that residents know where to seek support. We understand that. We delivered campaigns in 2021 and 2022 to ensure that residents understood how to make a complaint and how to seek redress. These campaigns reached 2.2 million and 5.7 million people respectively, and successfully raised awareness of, and confidence in, the complaints process. I assure noble Lords that the Government will build on this work and the foundations of this clause to ensure that these organisations work cohesively and are accessible to tenants.

However, I have also listened to the issues that noble Lords have raised. There is an issue about clarity of responsibilities, and a further issue to push forward far more communications with tenants, in order for them to understand the processes that we are putting in place. They are stronger processes and they are good processes, but tenants need to understand how to access them. I will take these things back to the department.

Amendment 11, tabled by the noble Lord, Lord Whitty, seeks to make provisions specifying that mental health and well-being falls within the remit of the health and safety lead role. This legislation will require registered providers to designate a lead to monitor the provider's compliance with health and safety requirements in relation to their role as landlords providing accommodation to tenants. The lead will also be required to advise the responsible body on how the provider should address any potential risks and failures.

Mental health is already part of the lead's remit where the landlord is responsible for meeting a statutory health and safety requirement relating to it. Those requirements include, for example, meeting the decent homes standard. This requires that a property must be free from serious category 1 hazards, as classified by the Housing Health and Safety Rating System (England) Regulations 2005. One hazard group is psychological hazards, which includes hazards relating to space and crowding, security, light and noise. The role of the health and safety lead will be visible and accessible to tenants, so that they know who is responsible for health and safety and have the assurance that it is taken seriously.

Amendment 29, in the name of the noble Lord, Lord Best, relates to inspections. The regulator is accountable to Ministers and Parliament for delivering effective regulation under its statutory objectives. The regulator has committed to delivering regular consumer inspections as part of the proactive regime to monitor and drive compliance with consumer standards. This was set out in the social housing White Paper, and this Bill provides the regulator with the power to deliver on that commitment. The regulator is currently developing its approach and will engage with the sector in the design of the regime. We should not pre-empt this by setting requirements in legislation.

The regulator has consistently followed policy objectives set by the Government. We do not believe that there is any risk of it not doing so regarding inspections. The regulator carries out many regulatory activities of significant importance without requirements in legislation. For example, the regulator already conducts regular inspections of the financial stability and governance

of large private registered providers under the existing economic regulation regime. While the Government set the regulator's objectives, they do not set duties for the regulator on how it ensures that providers meet the standards or mandate the regulator to carry out specific duties. This gives the regulator operational independence to regulate effectively and the flexibility to respond to changes in the operating environment. We should not compromise this. Adding a duty for inspections would create an imbalance and be a significant departure from the current approach. Consequently, we believe that it is for the regulator to design and implement inspections.

Amendment 33, tabled by the noble Baroness, Lady Hayman, relates to the Homes (Fitness for Human Habitation) Act 2018. As part of the revised consumer regime, the regulator will introduce a set of tenant satisfaction measures which landlords will be required to report on. These will provide tenants and the regulator with information on landlord performance, including in relation to the decency of stock and repairs, to allow them to hold landlords to account. As I set out earlier, the decent homes standard requires that a property must be free from serious category 1 hazards, as classified in the Housing Health and Safety Rating System (England) Regulations 2005. Homes are also required to be in a reasonable state of repair, have reasonably modern facilities and services, and provide a reasonable degree of thermal comfort. All registered providers are required to meet this standard. I reassure the noble Lord that these requirements mean that there is no need to introduce a separate reporting mechanism, which could create duplication and unnecessary complexity.

Following these reassurances, I ask noble Lords not to press their amendments.

Lord Young of Cookham (Con): My Lords, I am grateful to all noble Lords who took part in this debate. As this is the last debate, can I say that my noble friend the Minister deserves commendation for how she picked up this Bill at relatively short notice, has dealt sympathetically with a whole range of issues, and has undertaken to go back to the department with some of our concerns? I am a great fan of my noble friend Lord Greenhalgh, but her style is certainly somewhat different and more user-friendly.

The noble Lord, Lord Best, made the case for Amendment 29. He made two points: that this was the primary request of the Grenfell survivors; and that this was simply holding the Government to their own commitments. We both listened to what my noble friend the Minister said about the importance of not pre-empting anything, that there is no risk of the regulator not doing what was necessary and that it was important that it had operational independence. However, looking at the body language of the noble Lord, Lord Best, during the Minister's response, it struck me that this might be an issue that he wanted to return to on Report.

Finally, turning to my own objection to Clause 4 standing part of the Bill, I was grateful for what my noble friend the Minister said. She went through the process, whereby a tenant should complain in the first instance to the landlord, and in the second instance to the Housing Ombudsman, and that is quite right. My concern and, I think, the concern of the noble Baroness, Lady Pinnock, was that the tenant might skip the Housing Ombudsman stage and go straight to the regulator, because of the increased powers that it has. Listening to the noble Baroness, I wondered whether the tenant could take the regulator to the ombudsman if the tenant was not satisfied with what the regulator had done.

Again, I am grateful for what my noble friend said in response to our debate. I quote her when she said, "More clarity is required". I think she said that after the memorandum of understanding has been revised in the light of this Bill, it will then be made statutory. She also said that there is more to be done to inform tenants about how to seek redress, and there are remaining issues about clarity and communication that she will take back to the department. Against those assurances, I have no hesitation at all in withdrawing my objection to Clause 4 standing part and I am more than happy to see it added to the Bill.

Clause 4 agreed.

Clauses 5 to 8 agreed.

Clause 9: Appointment of health and safety lead by registered provider

Amendment 11 not moved.

Clause 9 agreed.

Clause 10: Electrical safety standards

Amendment 12 not moved.

Clause 10 agreed.

Clauses 11 and 12 agreed.

Schedule 1: Limited liability partnerships

Amendments 13 to 15

Moved by ***Baroness Scott of Bybrook***

13: Schedule 1, page 33, line 3, leave out paragraph 9

Member's explanatory statement

This amendment is consequential on the amendment to Schedule 2, page 35, line 35 in the Minister's name.

14: Schedule 1, page 33, line 18, at end insert—

"Notice of registration or de-registration

11A In section 120 (notice), in subsection (1)(c), after "charity)" insert "or a limited liability partnership"."

Member's explanatory statement

This amendment requires the regulator to notify the registrar of companies of registration decisions about limited liability partnerships.

15: Schedule 1, page 33, line 18, at end insert—

"Accounts

11B (1) Section 129 (companies exempt from audit) is amended as follows.

(2) In the heading, after "companies" insert "or limited liability partnerships".

(3) In subsection (1)(a), after "charity" insert "or is a limited liability partnership".

(4) In subsection (2)—

(a) after "directors of the company" insert "or members of the limited liability partnership";

(b) for "company's", in both places, substitute "registered provider's";

(c) for "which the company" substitute "which the registered provider".

(5) In subsection (3), for "has the same meaning as in" substitute "means accounts prepared in accordance with".

11C (1) Section 130 (exempt companies: accountant's report) is amended as follows.

(2) In the heading, after "companies" insert "or limited liability partnerships".

(3) In subsection (2), for "company's" substitute "registered provider's".

(4) In subsection (3)(b), for "company" substitute "registered provider".

(5) For subsection (6) substitute—

"(6) In this section and sections 131 and 132—

"firm" means any entity, whether or not a legal person, that is not an individual and includes a body corporate, a corporation sole and a partnership or other unincorporated association;

"body corporate" includes a body incorporated outside the United Kingdom."

11D In section 131 (exempt companies: reporting accountant)—

(a) in the heading, after "companies" insert "or limited liability partnerships";

(b) in subsection (1), for "company", in both places, substitute "registered provider".

11E (1) Section 132 (application of Companies Act) is amended as follows.

(2) In subsection (1)—

(a) for "company" substitute "registered provider";

(b) for "company's" substitute "registered provider's".

(3) In subsection (2)(e)—

(a) for "454(4)(b)" substitute "454";

(b) for the words from "provision" to the end substitute "section (revised accounts and reports),".

11F In section 133 (exempt companies: extraordinary audit)—

(a) in the heading, after "companies" insert "or limited liability partnerships";

(b) in subsections (1), (2) and (4), for "company", in each place, substitute "registered provider".

11G In section 141 (offences), in subsection (6), omit the words from "not" to the end."

Member's explanatory statement

This amendment amends provisions of the Housing and Regeneration Act 2008 relating to accounts of registered providers so they also apply to a provider which is a limited liability partnership.

Amendments 13 to 15 agreed.

Schedule 1, as amended, agreed.

Clause 13 agreed.

Schedule 2: Amendments to restrictions on insolvency procedures

Amendments 16 to 18

Moved by ***Baroness Scott of Bybrook***

16: Schedule 2, page 35, line 35, after "security)" insert "—

(a) in subsection (1), omit the words from "that" to the end;

Member's explanatory statement

Section 108 of the Housing and Planning Act 2016 contains restrictions on when a person may take steps to enforce security over property of a private registered provider. This amendment extends the provisions so they apply to any private registered provider, whatever form it takes.

17: Schedule 2, page 36, line 5, at end insert—

"(c) omit subsection (3);"

Member's explanatory statement

This is consequential on amendments made to section 79 of the Housing and Regeneration Act 2008 by clause 5 of the Bill.

18: Schedule 2, page 36, line 5, at end insert—

"(d) before subsection (4) insert—

"(3A) In the case of a registered provider that is a charity registered under the Charities Act 2011 which is not a body corporate, the reference to the property of the registered provider is to the property held on the trusts of the charity (and for this purpose "trusts" has the same meaning as in the Charities Act 2011, see section 353 of that Act).""

Member's explanatory statement

This amendment is consequential on the amendment to Schedule 2, page 35, line 35 in the Minister's name.

Amendments 16 to 18 agreed.

Schedule 2, as amended, agreed.

Clauses 14 to 15 agreed.

Clause 16: Notification of constitutional changes

Amendment 19

Moved by ***Baroness Scott of Bybrook***

19: Clause 16, page 14, line 24, leave out subsection (5)

Member's explanatory statement

This amendment is consequential on the amendment in the Minister's name to insert a new clause after clause 16.

Amendment 19 agreed.

Clause 16, as amended, agreed.

Amendment 20

Moved by ***Baroness Scott of Bybrook***

20: After Clause 16, insert the following new Clause—

"Notification of change of control

(1) The Housing and Regeneration Act 2008 is amended as follows.

(2) Before section 169D (and the heading immediately before it) insert—

"Notification of change of control

169CB Application of rules about notification of change of control

This group of sections does not apply to local authorities.

169CC Change in board members

(1) A registered provider must notify the regulator if—

(a) the board members of the registered provider change (whether as a result of an appointment or removal of a board member or for any other reason), and

(b) following that change, any of the circumstances described in subsection (2) arise.

(2) The circumstances are that—

(a) the number of board members of the provider has increased by more than 50% since the beginning of the relevant period;

(b) the number of board members of the provider has decreased by more than 50% since the beginning of the relevant period;

(c) more than 50% of the board members of the provider are persons who were not board members of the provider at the beginning of the relevant period.

(3) For the purposes of this section, the "board members" of a registered provider are—

(a) in the case of a registered charity which is not a registered company, its charity trustees within the meaning given by section 177 of the Charities Act 2011;

(b) in the case of a registered society, the members of its committee within the meaning given by section 149 of the Co-operative and Community Benefit Societies Act 2014;

(c) in the case of a registered company, its directors within the meaning given by section 250 of the Companies Act 2006;

(d) in the case of a limited liability partnership, its members.

(4) For the purposes of this section, "the relevant period" is—

(a) the period of 12 months ending with the day on which the change mentioned in subsection (1)(a) takes effect ("the 12 month period"), or

(b) if the registered provider was not a registered provider throughout the 12 month period, the period—

(i) beginning with the day (or, if more than one, the latest day) in the 12 month period on which it became a registered provider, and

(ii) ending with the day on which the change mentioned in subsection (1)(a) takes effect.

169CD Change in subsidiary status

A registered provider must notify the regulator each time—

(a) it becomes a subsidiary of a person, or

(b) it ceases to be a subsidiary of a person.""

Member's explanatory statement

This amendment places a registered provider under a duty to notify the regulator if certain events occur. The events are ones which may affect control of the provider.

Amendment 20 agreed.

Amendments 21 and 22 not moved.

Clause 17: Standards relating to information and transparency

Amendment 23

Moved by ***Baroness Scott of Bybrook***

23: Clause 17, page 15, line 15, leave out subsection (3)

Member's explanatory statement

This is consequential on the amendment, in the Minister's name, to substitute clause 20 with a new clause.

Amendment 23 agreed.

Clause 17, as amended, agreed.

Clause 18 agreed.

Clause 19: Direction by Secretary of State

Amendment 24 not moved.

Clause 19 agreed.

Clause 20: Intervention powers: removal of "serious detriment" test

Amendment 25

Moved by ***Baroness Scott of Bybrook***

25: Leave out Clause 20 and insert the following new Clause—

"Failure to meet standards: exercise of intervention powers

Omit sections 198A and 198B of the Housing and Regeneration Act 2008."

Member's explanatory statement

Clause 20 of the Bill amends section 198A to remove the test of "serious detriment" before powers can be exercised. This amendment replaces that with a clause repealing sections 198A and 198B. These sections set out general grounds for exercise of powers. Instead, amendments are made to the powers themselves (where necessary) to adjust the grounds on which they can be exercised.

Amendment 25 agreed.

Clause 20, as amended, agreed.

Clause 21: Performance monitoring

Amendment 26

Moved by ***Baroness Scott of Bybrook***

26: Clause 21, page 16, line 9, leave out "After section 198B" and insert "Before section 199 (and the heading immediately before it)"

Member's explanatory statement

This is consequential on the amendment, in the Minister's name, to substitute clause 20 with a new clause.

Amendment 26 agreed.

Clause 21, as amended, agreed.

7.15 pm

Amendment 27 not moved.

Clause 22: Surveys

Amendment 28 not moved.

Clause 22 agreed.

Amendments 29 and 30 not moved.

Clause 23: Performance improvement plans

Amendment 31

Moved by ***Baroness Scott of Bybrook***

31: Clause 23, page 22, line 37, leave out from "of" to "has" in line 38 and insert "paragraph (e) (inserted by paragraph 8A of Schedule 3) insert ", or(f)that the authority

Member's explanatory statement

This amendment is consequential on the amendment, in the Minister's name, to insert a paragraph 8A into Schedule 3 to the Bill (which contains amendments of section 252A of the Housing and Regeneration Act 2008) and also corrects inconsistent use of language in the paragraph inserted into section 252A.

Amendment 31 agreed.

Clause 23, as amended, agreed.

Clause 24: Emergency remedial action

Amendment 32 not moved.

Clause 24 agreed.

Clauses 25 to 28 agreed.

Amendment 33 not moved.

Schedule 3: Regulatory and enforcement powers

Amendments 34 to 45

Moved by ***Baroness Scott of Bybrook***

34: Schedule 3, page 36, line 10, at end insert—

"(za) for subsection (1) substitute—

"(1) The regulator may hold an inquiry into the affairs of a registered provider if the regulator suspects that—

(a) the affairs of the registered provider may have been mismanaged,

(b) the registered provider has failed to meet a standard under section 193, 194 or 194A, or

(c) there is a risk that, if no action is taken by the regulator or the registered provider, the registered provider will fail to meet a standard under section 193, 194 or 194A.""

Member's explanatory statement

This adjusts the grounds on which the regulator can hold an inquiry and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

35: Schedule 3, page 36, line 21, at end insert—

"6A In section 249 (management transfer), in subsection (1)—

(a) in paragraph (a), omit "or";

(b) at the end of paragraph (b) insert ", or

(c) the registered provider has failed to meet a standard under section 193, 194 or 194A.""

Member's explanatory statement

This adjusts the grounds on which the regulator can require a transfer of management functions and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

36: Schedule 3, page 36, line 35, at end insert—

"8A In section 252A (appointment of advisers to local authorities), in subsection (2)—

(a) in the words before paragraph (a), for "thinks" substitute "is satisfied";

(b) at the end of paragraph (d) (inserted by section 9) insert—(e)that the authority has failed to meet a standard under section 193, 194 or 194A,".

8B In section 253 (transfer of land by private registered provider), in subsection (1)—

(a) in paragraph (a), omit "or";

(b) at the end of paragraph (b) insert ", or

(c) the registered provider has failed to meet a standard under section 193, 194 or 194A."

8C In section 255 (amalgamation), in subsection (1)—

(a) in paragraph (a), omit "or";

(b) at the end of paragraph (b) insert ", or

(c) the registered provider has failed to meet a standard under section 193, 194 or 194A.""

Member's explanatory statement

These amendments adjust the grounds on which the regulator can appoint an adviser to a local authority, require a registered provider to transfer land or amalgamate registered societies and are linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

37: Schedule 3, page 36, line 37, at end insert—

"(b) in subsection (3), for the words from "that" to the end substitute "that—

(a) the affairs of the registered provider have been mismanaged, or

(b) the registered provider has failed to meet a standard under section 194.""

Member's explanatory statement

This adjusts the grounds on which the regulator can restrict the dealings of a registered provider while an inquiry is in progress and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

38: Schedule 3, page 37, line 2, leave out ""non-profit" substitute "private"" and insert "the words from "that" to the end substitute "that—

(a) the affairs of a private registered provider have been mismanaged, or

(b) a private registered provider has failed to meet a standard under section 194.""

Member's explanatory statement

This adjusts the grounds on which the regulator can restrict the dealings of a registered provider following an inquiry and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

39: Schedule 3, page 37, line 5, at end insert—

"(ba) in subsection (3), for the words from "that" to the end substitute "that—

(a) the affairs of the registered provider have been mismanaged, or

(b) the registered provider has failed to meet a standard under section 193, 194 or 194A.""

Member's explanatory statement

This adjusts the grounds on which the regulator can suspend an officer, employee or agent of a registered provider and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

40: Schedule 3, page 37, line 14, after "mismanagement" insert "or failure"

Member's explanatory statement

This amendment is consequential on the amendment to Schedule 3, page 37, line 5, in the Minister's name.

41: Schedule 3, page 37, line 19, leave out ""non-profit" substitute "private"" and insert "the words from "that" to the end substitute "that—

(a) the affairs of a private registered provider have been mismanaged, or

(b) a private registered provider has failed to meet a standard under section 193, 194 or 194A.""

Member's explanatory statement

This adjusts the grounds on which the regulator can remove an officer, employee or agent of a registered provider and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

42: Schedule 3, page 37, line 22, after "mismanagement" insert "or failure"

Member's explanatory statement

This amendment is consequential on the amendment to Schedule 3, page 37, line 19, in the Minister's name.

43: Schedule 3, page 37, line 32, at end insert—

"(aa) in subsection (1)(b), omit the "or";

(ab) after subsection (1)(b) insert—

"(ba) in the case of a registered provider which is a registered charity, registered society or registered company, if none of the officers is a board member,

(bb) if the regulator is satisfied that the registered provider has failed to meet a standard under section 193, 194 or 194A, or";

(ac) after subsection (1) insert—

"(1A) In subsection (1)(ba), "board member" means—

(a) in the case of a registered charity which is not a registered company, a charity trustee within the meaning given by section 177 of the Charities Act 2011;

(b) in the case of a registered society, a member of its committee within the meaning given by section 149 of the Co-operative and Community Benefit Societies Act 2014;

(c) in the case of a registered company, a director within the meaning given by section 250 of the Companies Act 2006.""

Member's explanatory statement

This widens the power of the regulator to appoint officers of a registered provider so that an appointment can be made where a provider has breached a regulatory standard or, for some forms of registered provider, where none of the existing officers are a "board member" (as defined).

44: Schedule 3, page 37, line 33, after "subsection (4)(a)" insert "—

(i) leave out "on expiry";

Member's explanatory statement

This is to make it clear that the regulator does not need to wait until the expiry of a term of appointment of an officer before renewing the appointment.

45: Schedule 3, page 37, line 34, at end insert—

"15 In section 269A (local authorities: censure during or following inquiry)—

(a) in subsection (3), for the words from "that" to the end substitute "that—

(a) the affairs of the authority have been mismanaged, or

(b) the authority has failed to meet a standard under section 193, 194 or 194A.";

(b) in subsection (4), for the words from "that" to the end substitute "that—

(a) the affairs of the authority have been mismanaged, or

(b) the authority has failed to meet a standard under section 193, 194 or 194A."

16 In section 269B (response to censure notice), in subsection (2)(c), after "mismanaged" insert "or it has failed to meet the standard (as the case may be).""

Member's explanatory statement

This adjusts the grounds on which the regulator can give a censure notice to a local authority and is linked to the repeal of sections 198A and 198B of the Housing and Regeneration Act 2008 (see the amendment, in the Minister's name, to substitute clause 20 with a new clause).

Amendments 34 to 45 agreed.

Schedule 3, as amended, agreed.

Clause 29 agreed.

Amendment 46

Moved by ***Baroness Scott of Bybrook***

46: After Clause 29, insert the following new Clause—

"Meaning of "subsidiary"

(1) In section 271 of the Housing and Regeneration Act 2008 (meaning of subsidiary and associate), for subsections (1) to (5) substitute—

"(1) A person ("A") is a subsidiary of another person "B" if—

(a) A is a subsidiary undertaking in relation to B for the purposes of the Companies Acts (see section 1162 of, and Schedule 7 to, the Companies Act 2006), or

(b) A would be a subsidiary undertaking in relation to B for those purposes if "undertaking" were defined for those purposes to mean any person."

(2) For the purposes of section 74 of the Housing and Regeneration Act 2008, the amendment in subsection (1) applies in relation to leases granted on or after 10 June 2022."

Member's explanatory statement

This widens the meaning of "subsidiary" in Part 2 of the Housing and Regeneration Act 2008 so, amongst other things, it applies to bodies other than companies.

Amendment 46 agreed.

Clause 30 agreed.

Amendment 47 not moved.

Schedule 4: Appeals

Amendment 48 not moved.

Schedule 4 agreed.

Clause 31: Housing ombudsman scheme

Amendments 49 to 51

Moved by ***Baroness Scott of Bybrook***

49: Clause 31, page 30, line 13, at end insert—

"11C A duty of the housing ombudsman to monitor compliance with a code of practice described in item 11A that it has issued."

Member's explanatory statement

This requires a housing ombudsman scheme to place a duty on a housing ombudsman to monitor compliance with a code of practice on complaint handling (if the ombudsman has issued one).

50: Clause 31, page 30, line 13, at end insert—

"(2A) In paragraph 2, in sub-paragraph (1), in item 15, for "expenses of the scheme" substitute "costs of the person administering the scheme and the scheme's housing ombudsman"."

Member's explanatory statement

This amendment is consequential on the amendment to Clause 31, page 30, line 21 in the Minister's name.

51: Clause 31, page 30, line 21, at end insert—

"(4) In paragraph 11—

(a) after sub-paragraph (1) insert—

"(1ZA) The amount of a subscription payable by a member may be calculated by reference to costs incurred, or likely to be incurred, by the person administering the scheme and the scheme's housing ombudsman in carrying out any of their functions, including costs unconnected with the member and costs unconnected with the operation of the scheme.";

(b) in sub-paragraph (1B), for "expenses", in both places, substitute "costs";

(c) in sub-paragraph (1C)—

(i) for "expenses", in the first place it occurs, substitute "costs";

(ii) for "expenses of the scheme" substitute "costs"."

Member's explanatory statement

This makes it clear that subscriptions payable by members of a housing ombudsman scheme may be set at a level to cover all of the costs of the scheme administrator and the ombudsman, including, for example, enforcement costs and other costs unrelated to the scheme.

Amendments 49 to 51 agreed.

Clause 31, as amended, agreed.

Amendments 52 and 53 not moved.

Clause 32 agreed.

Schedule 5: Minor and consequential amendments and transitory provision

Amendments 54 to 64

Moved by ***Baroness Scott of Bybrook***

54: Schedule 5, page 42, line 16, at end insert—

"10A In section 122 (payments to members etc), in subsection (6), for "registered company or registered society" substitute "registered provider"."

Member's explanatory statement

This expands the provision about the recovery of wrongful gifts or payments so it applies to all non-profit registered providers.

55: Schedule 5, page 42, line 16, at end insert—

"10B In section 135 (charity accounts), in subsection (1), omit "non-profit"."

Member's explanatory statement

The amendments to section 115 of the Housing and Regeneration Act 2008 made by clause 7 of the Bill remove the automatic designation of charities as "non-profit organisations". This amendment is to acknowledge that and to ensure that provisions of the 2008 Act about accounts apply to all registered charities, regardless of their designation as "non-profit".

56: Schedule 5, page 42, line 23, after "notifications)" insert "—

(a) for "169C", in both places, substitute "169CD";

Member's explanatory statement

This amendment is consequential on the amendment in the Minister's name to insert a new clause after clause 16.

57: Schedule 5, page 43, line 13, at end insert—

"(za) in subsection (2) omit "applicable to it";"

Member's explanatory statement

This amendment removes some words which are not needed and is to achieve greater consistency of language in Part 2 of the Housing and Regeneration Act 2008.

58: Schedule 5, page 43, line 26, after "(1)" insert "—

(a) in paragraph (a), omit "applicable to it";

Member's explanatory statement

This amendment removes some words which are not needed and is to achieve greater consistency of language in Part 2 of the Housing and Regeneration Act 2008.

59: Schedule 5, page 43, line 28, at end insert—

"27A In section 256 (restrictions on dealings during an inquiry), in subsection (2), for "has reasonable grounds for believing" substitute "is satisfied"."

Member's explanatory statement

This amends the language used to express the standard which must be met for exercise of the power in order to achieve greater consistency within Part 2 of the Housing and Regeneration Act 2008.

60: Schedule 5, page 43, line 28, at end insert—

"27B In section 258 (restrictions on dealings: supplemental), in subsection (3), omit the words from "not" to the end."

Member's explanatory statement

This amendment updates section 258 of the Housing and Regeneration Act 2008 so that it states that an offence under that section is punishable on summary conviction with an unlimited fine (which is currently the case by virtue of section 85 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012).

61: Schedule 5, page 43, line 29, at end insert—

"28A In section 259 (suspension during inquiry), in subsection (2), for "has reasonable grounds for believing" substitute "is satisfied"."

Member's explanatory statement

This amends the language used to express the standard which must be met for exercise of powers in order to achieve greater consistency within Part 2 of the Housing and Regeneration Act 2008.

62: Schedule 5, page 43, line 29, at end insert—

"28B In section 264 (offence of acting as an officer while disqualified), in subsection (2)(a), omit "not exceeding the statutory maximum"."

Member's explanatory statement

This amendment updates section 264 of the Housing and Regeneration Act 2008 so that it states that, on summary conviction, an offence under that section is punishable with an unlimited fine (which is currently the case by virtue of section 85 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012).

63: Schedule 5, page 43, line 29, at end insert—

"28C In section 269 (appointment of new officers), in subsection (1)(c), for "thinks" substitute "is satisfied".

28D In section 269A (local authorities: censure during or following inquiry), in subsection (2), for "has reasonable grounds for believing" substitute "is satisfied"."

Member's explanatory statement

These amend the language used to express the standard which must be met for exercise of powers in order to achieve greater consistency within Part 2 of the Housing and Regeneration Act 2008.

64: Schedule 5, page 45, line 16, leave out paragraph 37

Member's explanatory statement

This amendment is consequential on the amendment, in the Minister's name, to insert a paragraph 8A into Schedule 3 to the Bill (which contains amendments of section 252A of the Housing and Regeneration Act 2008).

Amendments 54 to 64 agreed.

Schedule 5, as amended, agreed.

Clauses 33 and 34 agreed.

Clause 35: Commencement

Amendment 65 not moved.

Clause 35 agreed.

Clause 36 agreed.

House resumed.

Bill reported with amendments.

Urgent and Emergency Care
Statement

The following Statement was made in the House of Commons on Monday 5 September.

"With permission, Mr Deputy Speaker, I would like to make a Statement on our support for urgent and emergency care. I know that this is an issue of great concern to right hon. and hon. Members, and I wanted to update the House at the earliest opportunity on the work that has been undertaken over the summer.

Bed occupancy rates have remained broadly at winter-type levels, with Covid cases in July still high, with one in 25 testing positive—that compares with about one in 60 currently. This is without the decrease in occupancy that we would normally expect to see after winter ends, and ambulance waiting times have also continued to reflect the pressures of last winter, although I am pleased to see recent improvements. For example, the West Midlands service is meeting its category 2 time of less than 18 minutes.

I would like to update the House on the nationwide package of measures we are putting in place to improve the experience of patients and colleagues alike. First, we have boosted the resources available to those on the front line. We have put in an extra £150 million of funding to help ambulance trusts deal with ambulance pressures this year. On top of that, we have agreed a £30 million contract with St John Ambulance so that it can provide surge capacity of at least 5,000 hours per month. We are also increasing the numbers of colleagues on the front line. We have boosted the national 999 call handler numbers to nearly 2,300, which is about 350 more than we had in September last year, and we have plans to increase this number further to 2,500 by December, supported by a major national recruitment campaign. By the end of the year we will have also increased 111 call handler numbers to 4,800. As well as that, we have a plan to train and deploy even more paramedics, and Health Education England has been mandated to train 3,000 paramedic graduates nationally each year, which is double the number of graduates that were accepted in 2016.

Secondly, we are putting an intense focus on the issue of delayed discharge, which, as many Members know, is the cause of so many of the problems we see in urgent and emergency care—I think that is recognised across the House. This is where patients are medically fit to be discharged but remain in hospital, taking up beds that could otherwise be used for those being admitted. Delayed discharge means longer waits in accident and emergency, lengthier ambulance handover times and the risk of patients deteriorating if they remain in hospital beds too long—this is particularly the case for the frail and elderly. The most recent figures, from the end of July, show that the number of these patients is just over 13,000—these are similar numbers to those for the winter months. We have been working closely with trusts where delayed discharge rates are highest, putting in place intensive on-the-ground support.

More broadly, our national discharge task force is looking across the whole of health and social care to see where we can put in place best practice and improve patient flow through our hospitals. As part of that work, we have also selected discharge frontrunners, who will be tasked with testing radical solutions to improve hospital discharge. We are looking at which of these proposals we can roll out across the wider system and launch at speed. Of course, this is not just an issue for the NHS. We have an integrated system for health and care and must look at the system in the round, and at all the opportunities that can make a difference. For instance, patients can be delayed as they are waiting for social care to become available, and here too, we have taken additional steps over the summer. We have launched an international recruitment task force to boost the care workforce and address issues in capacity. On top of that, we will be focusing the better care fund, which allows integrated care boards and local authorities to pool budgets, to reduce delayed discharge. In addition, we are looking at how we can draw on the huge advances in technology that we have seen during the pandemic and unlock the value of the data that we hold in health and care, including through the federated data platform.

Finally, we know from experience that the winter will be a time of intense pressure for urgent and emergency care. The NHS has set out its plans to add the equivalent of 7,000 additional beds this winter, through a combination of extra physical beds and the virtual wards which played such an important role in our fight against Covid-19. Another powerful weapon this winter will be our vaccination programmes. Last winter, we saw the impact that booster programmes can have on hospital admissions, if people come forward when they get the call. This year's programme gives us another chance to protect the most vulnerable and reduce the demand on the NHS. Our autumn booster programmes for Covid-19 and flu are now getting under way, and will be offered to a wider cohort of the population, including those over 50, with the first jabs going in arms this week as care home residents, staff and the housebound become the first to receive their Covid-19 jabs.

Over the summer, we became the first country in the world to approve a dual-strain Covid-19 vaccine that targets both the original strain of the virus and the omicron variant. This weekend, the MHRA approved another dual-strain vaccine, from Pfizer, and I am pleased to confirm that we will deploy it, along with the Moderna dual-strain vaccine, as part of our Covid-19 vaccination programme in line with the advice of the independent experts at the JCVI. Whether it is for Covid-19 or flu, I would urge anyone who is eligible to get protected as soon as they are invited by the NHS, not just to protect themselves and those around them but to ease the pressure on the NHS this winter.

Today I have laid before the House a Written Ministerial Statement on further work that we have been doing over the summer, and I want to draw the House's attention to one particular feature in that Statement which has garnered interest in the House in the past. In November 2021, the Government announced that they would make £50 million of funding available for research into motor neurone disease over five years. Following work over the summer between my department and the Department for Business, Energy and Industrial Strategy, through the National Institute for Health and Care Research and UK Research and Innovation, to support researchers to access funding in a streamlined and co-ordinated way, we are pleased to confirm that this funding has now been ring-fenced. The departments welcome the opportunity to support the MND scientific community of researchers as they come together through a network and are linked through a virtual institute.

I commend this Statement to the House."

7.20 pm

Baroness Merron (Lab): My Lords, as the new Prime Minister is appointing her first Government, I am very glad to see the Minister in his place this evening. I have a sense of despair over the dire situation in the ambulance service that led to yet another Statement. However, I welcome the inclusion of the importance of vaccination and the funding for motor neurone disease. I also pay tribute to St John Ambulance and am pleased that it has now been formally commissioned. Could the Minister confirm that this extra capacity is being used by the system today?

The outgoing president of the Royal College of Emergency Medicine has said that ambulance delays have got so bad that the NHS is now "breaking its promise" that life-saving emergency care will be there when it is needed. The facts are that 29,000 patients waited more than 12 hours in A&E in June—more than ever before—and 10,000 urgent cases waited more than eight hours for an ambulance last month. But this is not just about life and death; it is about the distress and severe discomfort of those who are kept waiting. Analysis by the *Financial Times* estimates that the deteriorating state of emergency services could be costing 500 lives a week, so can the Minister give an estimate of the number of people the department believes have died unnecessarily because they have been stuck in an ambulance waiting to get into A&E, or because an ambulance has turned up late or not at all?

We have gone from no crisis in the system in 2010 to annual winter crises, and now to there being a crisis all year round. We hear that the NHS will tell patients to avoid A&E as the winter crisis bites early. Can the Minister tell your Lordships' House when the winter crisis will now start? What is the forecast of how much worse excess deaths will be over this winter? What is the Minister's response to the QualityWatch report's assessment that the roots of record waiting lists and delays to ambulance services predate the pandemic?

Ambulance delays are directly related to one in seven hospital beds being occupied by patients medically fit to leave but who cannot be discharged because there is no social or community care to support them. To give but one example, there are reports today of an elderly man who, sadly, died last month in the back of an ambulance after waiting six hours to be admitted to Norfolk and Norwich University Hospital. The chief nurse at the hospital said that the man

"remained in the ambulance due to significant pressure on our emergency department and inpatient wards."

However, at the same time, more than 200 patients in the hospital were medically fit to be discharged. Will this matter be considered in the investigation? How will situations such as this up and down the country be resolved?

How do the Government intend to ensure that we have the supporting social and community care workforce we so desperately need? Why is there continued resistance to workplace planning and reporting to this House?

Care workers, who are desperate for a decent wage, are being lost to the likes of Amazon. The Government's answer has been to pull the "immigration lever" and to recruit people from overseas on lower wages. How will this be sustainable? What difference will it make in the long term?

The Statement mentioned the new mandate for Health Education England to train 3,000 paramedic graduates. What is the Government's reasoning behind conversely capping the equally important number of medical graduate training places, which the Medical Schools Council has criticised?

We all know that the cost of living crisis is likely to be devastating. If people cannot afford to keep themselves warm, they are more susceptible to illness and infections. We know that 10,000 people a year already die as a result of cold homes, and that this could be far worse this year without action. Could the Minister say what the Government will do to address this? Have they assessed the impact of the cost of living, which continues to rise alarmingly, on health outcomes and well-being? Do they have a strategy to help people proactively?

What consideration has been taken of the fact that rising energy costs will push care providers to breaking point, with some homes facing closure, unable to absorb increases of 500% or more? What plans do the Government have to protect care home residents from finding that they have no home?

The reality of the ambulance services' situation is that things are getting worse, not better. Can the Minister advise your Lordships' House on what exactly the Government will do to reverse this trend?

Baroness Brinton (LD): My Lords, I echo the comments of the noble Baroness, Lady Merron, that it is good to see the Minister in his place, although I notice that since he came into the Chamber his Secretary of State has changed. I wish the new Secretary of State well in her new role.

After many of the angry words over the past few weeks between the contenders to become the leader of the Conservative Party and the next Prime Minister, it is important to say that the crisis we face is not caused by the NHS and its staff, or the same in social care. Ambulance response times are still appalling, so much so that I have a friend who was once again advised by their GP this week to bypass the ambulance system to get their husband direct to hospital. Despite the numbers talked about in the Statement, the situation does not appear to be easing at all in the country.

It was encouraging to read at the beginning of the Statement that resources will be boosted on the front line, but from examining these figures it is quite difficult to follow the real increases on the front line and when they will happen. Some £150 million extra for trusts to deal with ambulance pressures is welcome, and I echo the thanks and congratulations to St John Ambulance; it is good that the Government have finally put on a formal footing the work it has been doing behind the scenes. But the number of extra 999 call handlers to be appointed between June this year and this Christmas is another 150, which, split between the 11 ambulance trusts, is not that many extra call handlers. Of course, they are taking not just health 999 calls.

Similarly, I cannot get to the bottom of the increase in call handlers to 4,800 or find out the previous figure. Call handlers on 111 refer callers mainly to primary care; 64% was the last data I saw. The issue is that there is no mention anywhere in this Statement of the pressure on primary care—whether that is GPs, community nurses or physiotherapists. There is absolutely zero mention, which means that the extra 111 call handlers will essentially be pushing patients into the void that primary care currently faces, given the pressure that GPs in particular are facing.

I echo the points about the training of more paramedic graduates, but it is outrageous that young people who have just qualified as doctors at university this year have been unable to find jobs because the money has not been found in the NHS for their training places.

It is important to note that the discharge frontrunners "testing radical solutions" will be testing on people in live situations to work out what happens.

On these Benches we welcome the international recruitment task force and particularly the code of practice, which the Government published just over a year ago and have updated in the last few weeks. The code of practice is vital for making sure that this recruitment happens ethically and that staff who come from abroad are supported. It sets out the fair framework for payments that they might have to pay back. But this is still fixing our problem by taking people from other countries. I note that this list includes red countries, which the Minister has referred to in the past, including Pakistan, Bangladesh and some countries in Africa. The rules must be followed very carefully, because those countries desperately need their own staff. While we need to be very grateful to all of them for coming to help us at this time, this is not a long-term solution. I hope the Minister can talk about what that longer-term solution might be.

The Statement makes reference to the better care fund. I am bemused that the better care fund is being used

"to pool budgets, to reduce delayed discharge."

That is one of the things it was created for at the tail end of the coalition, and it has indeed been the focus of it.

My big worry about this Statement is that ICBs, which we have spent a lot of time discussing in your Lordships' House over the last few months, are now trying to implement a new system for shared care and shared costings. This Statement says the entire focus will be on delayed discharges, so what extra resources will be available for ICBs?

The Statement also talks about the need for additional beds. It is good that the Government are at last recognising this; 7,000 additional beds is a start, but how many of those 7,000 are real beds and how many are beds in virtual wards—that is, people at home being observed by telemetry? What extra support is going into primary care to support the nurses and doctors who will also be fulfilling some of that? The Statement is completely silent on that.

The end of the Statement talks about Covid and the new vaccine, which is very good news, but why has Covid testing for staff in hospitals been stopped in the last couple of weeks? Too many patients are still catching Covid in hospital. A friend's mother in her 90s had been tested on arrival in A&E and was then admitted. Three weeks later, when she was about to be discharged for a care home, the hospital refused to test her. Eventually it was pressed to do so. She had Covid, but it did not test anyone else on her ward. She died of pneumonia, and the death certificate said the reason for the pneumonia was Covid.

Another friend died last week, aged 51. She was on the shielding list and had had all her vaccinations, but had a stroke. She caught Covid in hospital and died. She would have been eligible for Evusheld, so it is very disappointing to hear that the Government still will not approve this drug for the 500,000 who are clinically extremely vulnerable.

Finally, the booster campaign is great, but why have the Government decided to stop giving boosters to under-12s who either are immunocompromised or have family who are immunocompromised? We know that schools where air circulation is still poor are an absolute vector. All the experts are warning us that there is likely to be another wave of Covid, and schools without ventilation will be a real problem. If the Minister cannot answer that question today, perhaps he can write to me.

This Statement admits that our NHS and social care sector are still under the most phenomenal pressure. It is the first time I have heard Ministers talk about the system being "at winter state". When and how on earth will we cope with the winter months when they arrive?

Lord Colgrain (Con): My Lords—

Noble Lords: Oh!

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Kamall) (Con): I thank both noble Baronesses for their welcome that I am still in post; let us see for how long.

I pay tribute to my right honourable friend the former Secretary of State for Health, Stephen Barclay. When he came into office, he was quite clear that he saw the headlines, the issues about access to GPs and primary care and the ambulance waiting times. He said, "Look, I don't know how long I'm going to be in office, but I'm determined to work on this over the summer". This Statement is the result of that. Had he stayed in post, no doubt some of the questions that the noble Baronesses, Lady Brinton and Lady Merron, raised would have been answered with other Statements. Hopefully he has set in place the process to enable his successor to deal with some of these issues.

When he came into position, he was quite clear. In fact, he was so clear that he said, "I want the latest numbers on my wall". He also asked, "Who do I need to talk to?". He got the NHS England leadership in, contacted the most challenged trusts and the ambulance services and asked, "What can we do to help and how do we understand about discharge?" As the noble Baronesses rightly said, it is about not just ambulances but the whole system of discharge, making sure that there is somewhere in the community for patients to go from hospital. Are there sufficient beds? He has tried to work on this. Clearly, some of this will take time to work through.

Both noble Baronesses referred to the fact that we have contracted St John Ambulance to deliver auxiliary ambulance services. My understanding from when I checked is that this is immediate, but I will have to clarify that to make sure I have given an accurate answer to the question. Because ambulance trusts receive central monitoring and support from the NHS England-funded ambulance co-ordination centre, the Secretary of State worked closely with NHS leadership to look at how to put money into the system and to make sure it gets spent and gets through the system. It is all very well talking about inputs, but how about that? We have provided £150 million extra to improve response times, additional call handler recruitment and investment in the workforce. We have seen an increase of about 12% in ambulance staff and support staff since 2019.

On the handling numbers, it is really important that it is not just about signposting individuals. There are health professionals on the line who can deal with the patients when they ring up for advice. When I had to call 111 just before the summer break, I spoke to the call handler, who then arranged for a GP to ring me back to have a further, detailed conversation. As a result, the GP then made an appointment for me at the local A&E, so I just had to turn up at an allotted slot. That is what they are looking to do to ease pressure on A&E. Can they deal with it without having to go to A&E in the first place? For the less urgent but immediate cases, can they allocate a time slot?

So we are boosting the 999 and 111 call handler numbers and providing targeted support to some of the hospitals facing the greatest delays. The former Secretary of State was quite clear about looking at the areas where we have the most trouble, seeing what we can do about it and getting all the system leaders together. I am afraid it will not be resolved overnight—I am sure that noble Lords recognise that—but trusts are now closing 12.5% of incidents over the phone, which is nearly twice the pre-pandemic rate. We are also providing investment to upgrade the accident and emergency facilities at more than 120 separate trusts.

There is also the national discharge task force, which is focusing on how we address the discharge problems in particular areas and work with local system leaders to understand those problems. The former Secretary of State has been having those conversations and diving into real detail, either convening people or bashing heads together to make sure that we tackle this. He has put in a place a number of processes, which my right honourable friend the new Secretary of State for Health, Thérèse Coffey, will have to deal with. He has at least put that process in place so she can hit the ground running. As I said, he has taken a close interest in the most difficult and challenged areas.

I will try to deal with some of the specific issues. First, the former Secretary of State was quite clear that we need to think about the winter plan now and not wait until we hit winter. That means preparing for variants of Covid-19, and increasing capacity outside of acute trusts and resilience in 111 and 999 services, as we have mentioned; it means looking at target category 2 response times and ambulance handover delays, at how we reduce crowding in particular A&E departments, and at how we reduce hospital occupancy.

In response to the question from the noble Baroness, Lady Brinton, about the breakdown between virtual beds and hospital beds, I cannot give that data at this point; it might be a dynamic situation, as and when, and will depend on whether individual patients' homes are suitable to accommodate a virtual bed. They will have to meet certain standards; it is not just a word but a proper virtual bed. We also need to look at how we can ensure timely discharge and provide better support for people at home.

On mortality rates, we see the headlines and, clearly, we have conversations with our officials within the NHS. They do not believe that it is correct to link those performance figures directly to current excess mortality rates but they recognise that there are, sadly, far too many cases of people who should have been seen. There have been deaths but I do not have exact numbers. I will try to get more details for the noble Baroness.

On the overall workforce, as I have said a number of times, I would disagree with noble Lords who say that there is no plan; that is not correct. We have already commissioned Health Education England to work with partners. The department has also commissioned NHS England on long-term workforce planning. As noble Lords will know, the Health and Care Act makes it incumbent on the Secretary of State to publish a report on the workforce and the challenges ahead.

I will stop there for now. I apologise to the noble Baronesses; I will try to answer in writing the questions that I have not answered here this evening.

7.42 pm

Viscount Hailsham (Con): My Lords, would my noble friend agree that the problems in the ambulance service are essentially reflective of the problems in the National Health Service more generally? Would he also agree that there is a widespread feeling that the National Health Service as presently constituted is no longer fit for purpose? Given that, and bearing in mind that proposals coming from individual parties or Governments are unlikely to command general consent, has the time not come for the Government to appoint a royal commission to consider how best health services in this country should be provided and funded? Such a way forward might provide the basis for a proper, agreed change.

Lord Kamall (Con): I thank my noble friend for his question. We have a debate this week tabled by the noble Lord, Lord Patel, on reform of the health system. One thing the noble Lord believes, as do a number of other practitioners and noble Lords who have worked in the health service, is that it is time to reform the old model of seeing your GP, getting five or 10 minutes if you are lucky, and then being referred to secondary care elsewhere. In this day and age, we need such reform. We need to take advantage of data and new technology but also to look at work processes. Some of the stuff that was being done in secondary care until recently can now be done at primary care level. Even in primary care, it does not always have to be the doctor who sees the patient; it can be a practice nurse, a physiotherapist or a local civil society group.

Clearly, there is a need to look at the model of the NHS and how services are provided; all parties recognise that there are areas for reform. It would be great if we could get consensus but, sadly, this issue is too much of a political football. When I speak with my friends from other parties, we say candidly that something has to change and that there has to be reform, but it is clearly too tempting to bash any Government. I know that, when we were in opposition, we would have bashed the Government of the day on health. It is, sadly, too tempting a political football.

Baroness Bennett of Manor Castle (GP): My Lords, I follow on from a point raised by the noble Baroness, Lady Merron. The Statement refers to the new contract with St John Ambulance—I join others in welcoming that—and to recruiting call handlers, paramedics and social carers. There is no reference to the acute crisis we have regarding doctors, nurses, midwives and associated health professionals.

To pick up on the question of whether we need a royal commission and systems change, the underlying situation is that the UK has 2.8 doctors per 1,000 people and 7.9 nurses, which is the second lowest in the OECD. Our number of hospital beds per head of population is on average lower than everywhere in the OECD but Denmark and Sweden. We simply have an acute lack of resources, which is independent of systems and is putting enormous pressure on services. We are now seeing huge pressure being put on medical professionals. Being a specialist in A&E is an acutely difficult and challenging task. The issues of ambulance response times and the queues of ambulances outside A&E are clearly putting huge pressure on people.

The Minister referred to the fact that, as we speak, we have a new Secretary of State. Surely it is time to acknowledge the contribution that those doctors, nurses and other medical professionals are making, through some kind of new, big gesture from the new Secretary of State to say, "We have to keep you. We really value you." We are recruiting new people but others are walking out of the door as quickly or more so. This has to change. Surely a recognition of the care and service that has been given and continues to be given would help.

Lord Kamall (Con): The noble Baroness makes a very important point which noble Lords across the House will agree. We should pay tribute to the hard work of medical staff in our system of care; there is no doubt about that. I take the point that this is about not just the ambulance service but other parts of the health service. In fact, had my right honourable friend the former Secretary of State stayed in post, he would have issued subsequent Statements on what we are doing about the GP workforce and some of the other issues that noble Lords have raised.

It is clear that one of the issues is retention. The NHS has its people plan, published in July 2020. We understand that people are leaving and, yes, there are newspaper headlines, but what are the issues behind those headlines? There is a very difficult issue around pensions and, particularly for some of the wealthier GPs, whether it is worth their while, having built up a massive pension over the years. There has been a bit of discussion and to and fro with the Treasury over that. However, it is quite clear at trust and workplace level that we have to make sure there are well-being courses and that we are looking after staff. We also have to look at the individual decisions as to why people may want to leave.

No doubt many staff are exhausted after the last couple of years. An amazing amount of pressure has been put on them and, as the noble Baroness says, it is right that we find ways to send a strong message that we value them and want to keep them as well as recruit new staff. We also have to look at this against the wider picture. We have more doctors and nurses than ever before. The question is: why, despite that, do we have this pressure? It is because the demand is outstripping supply.

We are now aware of far more health conditions than we were, say, five, 10 or 20 years ago. When preparing for a debate on neurological conditions the other day, I asked my officials to list them all. They said, "We can't do that, Minister—there are 600." Let us think about that. We were not even aware before of all those conditions. How many staff does that require? Or let us think about mental health: 30 or 40 years ago, it was not taken seriously; it was all about a stiff upper lip and pulling yourself together. Now we take it all seriously, and have mental health parity in the health Bill, which will need more staff. We will have more staff—more doctors and nurses—but the demand will outstrip supply. That is why a proper debate is needed across parties.

Lord Colgrain (Con): My Lords, I apologise for leaping rather prematurely to my feet before my noble friend the Minister just now.

It is often the case that you read things in the newspaper and either you doubt the veracity of the information or you feel it is apocryphal, and you have to wait until such time as something occurs to you personally before you understand how vital it is. Last week I visited my 97 year-old mother, and I was there when she suffered a fall as a result of which she broke her hip. I rang the emergency service at 5.30 pm on Wednesday afternoon and at 4.30 am on Thursday morning the ambulance arrived—so she had been disabled on the floor for 11 hours at that stage. I said to the ambulance people that I thought it was appropriate that I follow them to the hospital, but they said, "I wouldn't do that if I were you. It's an hour's journey to the hospital and there'll be a waiting time of two hours before she's admitted because we've just come from a queue there". So that took it up to 14 hours.

I have to say that the good cheer and good manners of the people on the 999 line when I was calling them every two hours was exemplary, as were the good humour and good treatment that my mother subsequently received at the hospital, but I had difficulty answering her rather acerbic comment at 3 am that she wondered why she had fought so vigorously in the last war if she was going to be left lying on the floor for that length of time before being taken to hospital. I myself really felt the comment about the darkest moment of the night coming before the dawn, being completely helpless and not knowing what to do with someone in considerable pain, with no one able to tell me whether or not to administer painkilling pills and whether or not to give her something to eat or drink. It made me realise how helpless other people feel in similar circumstances.

So I ask the Minister to do whatever he possibly can all the way down the chain to make sure that this sort of situation does not occur to too many people. We have had noble Lords in this debate talk about the length of hours that people are now waiting to be admitted to hospital, but it is perfectly clear, on the strength of my mother's experience, that in many cases those hours are extended. It really is a third-world situation in which we find ourselves, so anything that the Minister can do to help with that, I, she and the public in general would be extremely grateful for.

Lord Kamall (Con): I start by thanking my noble friend for sharing that very personal experience with us. One of the reasons why my right honourable friend the former Secretary of State wanted to issue this Statement was that when he came in he saw that they were sadly far too many such stories—my noble friend will not be the only one with such a story; undoubtedly, there will be other noble Lords with similar stories—and it was important for him to say, "Look, this has gone on long enough. Let's get all the people together in the room". That is why he made this a priority. He wanted to put the numbers on the wall but was told he should not do so for various reasons—but at the same time he wanted to make sure that he spoke to the leadership of trusts as well as NHS England to make sure that they were really focused on this.

Some of the measures announced in the Statement will take time to filter through while others, hopefully, will be immediate, such as the St John Ambulance. All I can say is that I will continue to push and, if I stay in post, I will encourage my right honourable friend the current Secretary of State to continue the work that their predecessor put in place to really make sure that we get a grasp of this issue and try to pull as many levers as we can to tackle it.

Lord Scriven (LD): My Lords, I declare my interest as a non-executive director of Chesterfield Royal Hospital NHS Foundation Trust and as a vice-president of the Local Government Association.

It is not hubris when I say that the Minister needs to understand that this is a crisis and the health service is at the point of breaking, when you see what is happening to patients and to staff trying to deal with the total number of procedures and patients coming into the health service. An absolutely breathtaking statistic from analysis shows that in July only 40% of patients who were ready for discharge were discharged on the day that they were medically fit. That meant that 60% of beds were blocked in England by people who could not get social care or go home.

It is anticipated that at a bare minimum £7 billion per year is required to deal with the social care issue. The Government have a vision but no road map, no timetable, no milestones and no measures of success for social care. What is happening with social care? It is one of the key issues that are leading to ambulances being held at A&E and potential deaths before people can get into hospital for the medical care that they need.

Lord Kamall (Con): I assure the noble Lord that we are aware of the situation; it is one of the reasons why this Statement was made in the first place. We know there are problems with delayed hospital discharges. That is why we have the national hospital discharge task force, which has been set the 100-day discharge challenge, focused on improving the processes but also on digging deep—not just the Secretary of State issuing an edict from afar and saying "Get on with it" but following up with NHS leadership to make sure that we are looking at this issue.

We are selecting these national discharge frontrunners from among ICSs and places to look at new ideas but also to see what has worked in a particular place. A number of noble Lords often give me an example of a hospital that they believe is doing very well. When we take it back to the NHS and say, "Can we replicate this elsewhere?", they talk about the specific circumstances of that local area and the way that system is set up and why it could work. The ICBs and the integrated care partnerships have committees to look at this, and they know it has to be done as quickly as possible. So first there is the 100-day challenge between DHSC, the NHS and the local government discharge task force.

Adult care capacity is a problem that has been brewing for a long time. One of the things that we have been trying to do with social care, particularly through the integration White Paper but also with the Health and Care Bill, is finally to put it on an equal footing with health so that it is no longer the poor Cinderella service, and indeed to professionalise it. One of the reasons why we have the voluntary register is to make sure that we understand what is out there, who is out

there, who is working and what qualifications they have so that we can build a proper career structure for people in social care to make sure that it is an attractive vocation for life and not just something that they do rather than working in Asda or elsewhere, and also that they have parity with the health service.

We are also looking in the medium to long term at some of the discharge frontrunners and at streamlining the intermediate care service, which could reduce delays by about 2,500 by winter 2023-24. Some of this stuff is to tackle the crisis now but some of it is long term to make sure that if we resolve it and get the numbers down we still do not forget about it, and that we build resilience into the system.

Lord Brooke of Alverthorpe (Lab): My Lords, I phoned 999 two weeks ago after my wife had a nasty fall at home. The good news for the Minister is that the ambulance and paramedics turned up within half an hour, they were extraordinarily good and she was admitted to a major hospital—it was St George's Hospital; I may as well name it. Unfortunately, it was just before the bank holiday. She had problems with her spine and she waited five days in a brace before they could do an MRI because, apart from the most acute emergencies, MRI scanning had closed down. In 2014, the Government were attacked for failing to provide proper services over bank holidays. They said they would look at it and change it, but here we are eight years later, and it is no different. Had it been done quickly, she could have been out, the bed would have been freed and the waiting list would have been shortened. I actually offered to pay for an MRI to be done if they would do it quickly to relieve her of the pain and torture she was going through, but they said, "Sorry, we can't do that." This is the problem we have with the NHS.

The real elephant in the room is that much, much more money has to go in. Those who can pay more must pay more and be willing to pay more. That will shorten the lists and produce more money to make conditions for staff even better so that they work in a different way. It would reduce the lists for everybody, but we are not radical enough and not prepared to do it. With the change that has taken place, nothing fundamental is going to happen in the next two years and this problem is, regrettably, going to continue. My question is: can the Minister please do something to make sure we use the equipment available to the maximum, which is not happening at present?

Lord Kamall (Con): I thank the noble Lord for sharing that personal story—the good and bad side of it. I was on a visit to a hospital a few months ago where they showed us a nice, new scanner, which they were very proud of. The question was: how much is that used? Does it sit empty at weekends? With more networks and being more connected, we can find out where there is capacity in the system. If there is equipment, why are there not staff available? It could be for staff absence reasons. If it is not there, where can people go? With more community diagnostic centres, you will find lots more diagnosis facilities and scanners, so if the acute place does not have it, there should be availability in the community.

On the wider question about being "radical", the noble Lord will know that, while we may have candid conversations as friends from different parties, sadly, health is too tempting to use as a political football. There are some issues that people feel very strongly about. Some of the points about charging that the noble Lord mentioned would be seen as too radical by some, or as undermining the very ethos of the NHS. I think we have to be prepared to be radical and think the unthinkable, but, sadly, this is the formal, political debate that we have got, and we have to work within the remit of that debate. Why should it be, for example, that millionaires could not pay a little bit more to help—not through taxation, but maybe direct?

Some local trusts have tackled this issue. For example, my local trust has set up a private arm, but the money paid for private diagnosis or surgery is reinvested into the hospital to help NHS patients. I know that more than one trust has done that. That might be an interesting way of raising more money and making sure that people value the service and care they get.

On the specific issues, one of the reasons we are having this discussion is because the former Secretary of State was looking at all the issues that need to be tackled now, both in the short term and the long term.

Baroness Bennett of Manor Castle (GP): My Lords, the noble Baroness, Lady Brinton, referred to overseas recruitment of doctors and nurses. The Statement refers to the "international recruitment task force" for social care. I am not sure if the Minister is aware of the report prepared by the Rights Lab at the University of Nottingham, *The Vulnerability of Paid Migrant Live-in Care Workers in London to Modern Slavery*. If not, I ask him to assure me that the department will be looking at this. The report highlights real issues about the treatment of migrant care workers, particularly in live-in situations. It is a cross-departmental issue, looking also at immigration issues like being tied to one employer where migration status is a real problem. It also looks at the need for a registration system for recruitment agencies. Can the Minister assure me that the department will look at that?

Lord Kamall (Con): I thank the noble Baroness for the question. I am not aware of that report. If the noble Baroness would be happy to send a copy to my parliamentary email, I will happily forward it to officials in my department and see if we can get an answer to that.

House adjourned at 8.03 pm.

Grand Committee

Tuesday 6 September 2022

Arrangement of Business

Announcement

3.45 pm

The Deputy Chairman of Committees (Lord Duncan of Springbank) (Con): My Lords, let us get going. No Divisions are expected, but if one is called, I will adjourn proceedings for a short time.

Negotiating Objectives for a Free Trade Agreement with India

Motion to Take Note

3.45 pm

Moved by ***Baroness Hayter of Kentish Town***

That the Grand Committee takes note of Her Majesty's Government's negotiating objectives for a free trade agreement with India.

Relevant documents: 6th Report from the International Agreements Committee

Baroness Hayter of Kentish Town (Lab): My Lords, I am absolutely delighted to open this first debate under the auspices of the country's new Prime Minister, a woman—I am sorry, but we can never let an opportunity to say that go. We hope that the new Prime Minister will welcome full parliamentary scrutiny over future trade deals and international agreements.

I am delighted to note that the name of the noble Lord, Lord Frost, appears on the speakers' list. I looked twice to see whether there was a V beside it. Having heard the rumours of him searching for a Commons seat, I wondered whether he would be using this as his valedictory. From our point our view, I am delighted that there is no V after his name. We will certainly be interested to hear his and other views not only on this deal but on what it says about the Government's approach to trade.

The International Agreements Committee has long called for a full position paper on how the Government see our future trade relationships, and how these sit alongside their broader foreign policy, defence and security approaches. In the Lords, we owe thanks to the noble Lord, Lord Grimstone. I was going to announce, with great delight, that he is about to join our committee, but if the speculation in the *Spectator* is true, he is actually going to become Leader of this House. I understand that this may be the *Spectator* speaking out of order; he was indeed thinking of joining our committee before. As the Minister, the noble Lord has made sure that the International Agreements Committee has had time to peruse the main trade deals and, when requested, has granted a debate, as today. I again welcome the noble Viscount, Lord Younger, who is either holding the fort or, for all we know, a new role—in which case, I welcome him twice over.

Today is important but perhaps also irrelevant. I will explain. We are here to debate the Government's objectives for their negotiations with India, but the *FT* reported even before the Summer Recess that 11 of the 26 chapters were done and dusted, and the Department for International Trade claims that everything will be complete next month. So although the Government have had our report since the end of July, it looks as if they proceeded without awaiting any parliamentary input.

This haste brings two risks: first, that the final deal might be unacceptable to the Commons, which can delay ratification, theoretically indefinitely; and, secondly, that by tying itself to an arbitrary target date, Diwali, it risks settling for less than an optimal outcome. I would have thought—I cannot help looking at the noble Lord, Lord Frost, again—that the Government would have learned from the experience of the EU deal having to be sealed two years after Article 50 was triggered that when time is a major card in the hand of negotiators it makes no sense to gift it away. The committee worries that prioritising speed over content means that, come October, we will see something very thin by way of a deal, or worse—that in the rush we will compromise, and give away more than is needed for less than is wanted.

Indeed, business warned the Secretary of State to put the brakes on the talks or risk leaving important sectors behind. Eleven trade bodies stressed that

"It is the content of the deal which matters ... not speed of negotiation".

They urged the Government to hold out for a meaningful, comprehensive deal, even if it means missing the self-imposed deadline of Diwali. So why the haste? *Politico* reported that the Secretary of State's office had concerns about pressure to deliver a deal as a symbolic win for the new Prime Minister, and *City AM* was being told by various "trade department sources" that the Diwali deadline came from above, leaving little time to negotiate a thorough deal with the traditionally protectionist India. We hope, therefore, that the Minister will reassure us that UK interests, not a photocall for the new Prime Minister, will determine the content of any FTA and that a pre-publicised target date will not lead to an unsatisfactory outcome.

What is the outcome that the UK wants from a deal? Most Indian imports are duty free already, whereas some of our exports to India face very high tariffs—some of the highest amongst WTO members, with different tariffs in different states. These changing tariffs are of a size that makes exporting extremely testing, so movement here should be a major objective.

As importantly, if a trade deal is to mean anything to UK companies it needs to be easier to do business in India. As our report makes clear, there is much to do in this respect, yet this vital issue is absent from the Department for International Trade's documentation. Our worry is that it is absent because the department does not understand its importance. It is regrettable that Ministers have not set out their priority areas. Government should be engaging with Parliament and stakeholders as to how it is seeking to lower business barriers, which is key for future trade.

Our report uses the word "corruption" to spell out just one of the challenges. But there is also uncertainty, delays, changing rules, lack of enforcement even when

[Baroness Hayter of Kentish Town]
adjudication favours a UK exporter, inadequate policing of rules and procedures, ownership requirements favouring local providers, and so forth. For some areas, there is a complete lack of access. These issues need to be high on the Government's list of demands. The committee is also worried by the lack of any push from our side for an independent dispute mechanism which UK investors and businesses can access, because without this the costs of doing business are very high, given all the risks that already face them in exporting. There was such a mechanism in play until ended by the Indian Government in 2017. We are worried that we are actually regressing on this issue.

One key indicator of the quality—the breadth and depth—of an agreement will be: does it make business easier? If India is to continue with the wide access it already has to our markets, and perhaps get greater access for its citizens to work here—and possibly not even pay NI—it behoves our Government to stand up for UK plc and ensure that this vibrant, expanding and potentially exciting market really is open to our service and manufacturing sectors.

There are two further questions for the Government before they offer a deal to India. These flow from our constant request of Ministers that they spell out their policy on trade and how it fits into their wider defence, security, development, environmental and domestic objectives. We raised this question of strategy with the Minister in our debate on Australia, after which he kindly wrote emphasising that the Government's trade policy is framed by the strategic context set out in the integrated review. However, it is hard to see how expanding our economic relations with India sits with our unequivocal commitment to European security when we see India undermining our sanctions on Russia —indeed, profiting from increased trade with Russia—and failing to condemn the invasion of Ukraine.

Although the Government might argue that a trade deal will help build relations and therefore influence, elsewhere they suggest that they already have those relations, but they do not seem to be very effective. The Minister's letter says that the Government will publish strategic cases for each new FTA and that each strategic case places the trade agreement within our wider strategic approach. If that is the case, can the noble Viscount set out how this deal sits happily with the Government's welcome, and appropriate, stance on Ukraine?

Even more important, perhaps, is the second issue: the lack of a tie-up with the integrated review's frequent references to tackling climate change. They are not evident from these negotiating objectives, which say nothing about India's reliance on coal, nor about how the deal would help achieve the reduction in greenhouse gases to which we are pledged. Perhaps the Minister could again explain how the strategic case for this FTA really does, in his words, fit within our wider strategic approach.

Our trade with India is already substantial and will, I hope, become even more so. Any FTA would be the most consequential to date of any post-Brexit deal. We are talking about a large and expanding market, a Commonwealth country with which we have strong ties, and an economy that is becoming one of the world's most significant. Such an FTA must therefore be robust, forward-looking and fair to consumers, workers, the environment, business and future generations, respecting both human rights and democracy. As we have made clear, a major issue is how business can be helped to make increased trade with India a reality, given the obstacles I have outlined. Will moves to overcome them be in such a deal, or will they be forgotten? We share the Government's ambitions for trade deals, although we wish that they were realistic and that the objectives set out were less vague so that Parliament could see what Ministers are seeking to achieve.

Members of the International Agreements Committee, our clerk and advisers have worked hard to bring this report before your Lordships. I thank them all for their efforts; we will shortly hear from some of the committee's members, covering different aspects of the report. Although we welcome Anne-Marie Trevelyan's recent undertaking on greater involvement prior to the setting of objectives going forward, I fear that we are now too late to influence these particular negotiations one iota. I hope that, in future, the Government take soundings from us and our opposite numbers in the Commons so that, having taken back control—the noble Lords, Lord Hannan and Lord Frost, have often spoken of this—that control really will go to Parliament, not simply to the Executive. I beg to move.

3.57 pm

Lord Frost (Con): My Lords, I thank the noble Baroness, Lady Hayter, for securing this debate, as well as for her broader work in chairing this important committee and producing this report. I assure her that she will be hearing more from me in this capacity and that no valedictory is due—for the time being, anyway.

I go back some way in my interest and involvement in trade issues with India. Ten years or so ago, when I was the UK's representative on the EU's Trade Policy Committee—also known the Article 133 committee—I spent a lot of my time promoting the UK's interests in what we hoped at that time would be a free trade agreement between the European Union and India. Even then, it was clear to me that the task was an almost impossible one. Coupled with the Indians' reluctance to make major concessions, the fact that the EU Commission had to promote so many interests, both offensive and defensive, and approached the task in such a mercantilist way—as trade negotiators tend to do—made it always seem unlikely that the right balance would ever be found. Indeed, so it proved when the EU suspended the talks in 2013.

Luckily, we in the UK have been given another opportunity to reach an agreement with India thanks to the fact that we no longer have a trade policy in which we are a minority share participant. We are now in a position to prioritise our own objectives, determine our own trade-offs and, let us not forget, conduct a negotiation in which UK officials are actually in the room and negotiating directly rather than having to rely on accounts from a third party.

Moreover, as the committee's report makes clear, the time is propitious, with India, I hope, taking a more positive attitude to trade agreements and with the strategic case for an agreement with India ever

more important. Indeed, this more positive environment is why the EU too resumed negotiations in June, although I suspect it will find the task of balancing its different interests as difficult as ever.

We now have a new Prime Minister, one who was formerly Secretary of State for International Trade and one who I know to be an economic liberal and believer in the merits of openness and competition. I express the hope to my noble friend the Minister that this attitude will feed through to a new government approach to this negotiation.

The committee's report endorses the observation of the current Secretary of State for International Trade—at least I think she still is—my right honourable friend Anne-Marie Trevelyan that the Government will sign a deal by Diwali only if it is "good for UK businesses". Of course, what is good for existing UK businesses is not necessarily the same as what is good for the UK economy overall. This is particularly true when looking at trade liberalisation. We cannot determine whether an agreement is beneficial to us purely by looking at one test: whether it reduces barriers, tariff and non-tariff, for our exports. That is a very important test, but not the only test.

The important judgment to make is whether, taking one thing with another, the agreement is beneficial to our country overall. That requires a broader assessment. It requires looking at the benefits of increased competition to our economy through more openness to Indian exports, notably but not only in agriculture, even if that might make life tougher for some existing businesses. It requires looking at the broader national economic and security interest we have in rebalancing our trade policy away from the current arrangements, which, in effect, are a giant preference scheme for the European Union. And it requires looking at the strategic case for a trade agreement with India, in the context of our broader aspiration to join the CPTPP, which is in many ways complementary, and our aspiration for a broader strategic and defence political involvement in the Indo-Pacific.

That is why, with the greatest respect, I disagree with the committee's judgment that there is only questionable value in setting deadlines for the conclusion of negotiations. The noble Baroness, Lady Hayter, alluded to this. I know, perhaps better than anyone, how much a deadline focuses minds on both sides, but I draw different conclusions. Without a deadline, we will always be prey to the wishes of our domestic lobbies; there will always be the wish to take a bit longer and to push negotiations that one step further. Like the tortoise in Zeno's paradox, the perfect moment for concluding talks will always seem a little way in the future. This approach risks us never getting any agreement at all.

It may be that, given events, the Diwali deadline is a bit too soon, although I note that, strictly speaking, it was a deadline

"to conclude the majority of talks",

not to have a completed agreement. Be that as it may, we should set a credible deadline soon, seek to reach the best agreement we can and reach a judgment on whether it is in our interests overall. If that agreement looks more like an interim than a comprehensive agreement, and it can be harvested so further talks continue, we should be very open to that.

I will briefly make two other points—one on which I agree with the committee and one on which I do not. On the first, I agree that it is time we had a broader UK trade strategy—one that sits within and is consistent with the revised and updated integrated review, which I hope we will see shortly. That strategy should also include some proposals and ideas for the greater involvement of Parliament in signing off agreements, as the noble Baroness, Lady Hayter, noted. I hope that the new Secretary of State for International Trade will take this forward.

My second point is on the committee's comment that the devolved Administrations have concerns regarding the sharing of information pertaining to areas of reserved competence in the negotiations. The noble Lord, Lord Grimstone, the previous Trade Minister, is quoted as justifying the current arrangements on the grounds of confidentiality. That is all well and good, but there is a clue in the words "reserved competence". Information need not be shared with the devolved Administrations in areas of reserved competence because, to put it bluntly, it is not their business. Where competence is reserved, it is for the DAs to implement decisions taken by the national Government in the negotiations. I urge the Government and the Minister to be more robust in policing these boundaries; we have seen a tendency for the boundaries to move, and in only one direction.

I conclude by once again thanking the noble Baroness, Lady Hayter, and the committee and by expressing my best wishes and support for their further work in this important area.

4.05 pm

The Earl of Sandwich (CB): My Lords, I join the noble Baroness, Lady Hayter, and the committee in welcoming this FTA, but only as far as it goes. I have lived and worked in India and am well aware of the joint prosperity our two countries have enjoyed since Sir Thomas Roe landed in Surat in 1615 and got a very good deal from the Mughal emperor Jahangir. That is summarising more than four centuries in a sentence.

I am well aware of the subsequent implications of colonialism and slavery, both ancient and modern, but they are not part of this debate, which is about the present intentions of our Government. What is relevant is that our two countries have a long common history, language and culture that have already laid a foundation for a range of trading engagements. India will be a valuable business partner under this new agreement. She is not only overtaking China in terms of population but will soon become the world's third-largest economy. Under President Modi the economy has grown faster, although GDP growth of 13% in one recent quarter is fiercely disputed by Congress. There are also grave concerns about human rights violations and discrimination against minorities, which I know will be mentioned by my noble and right reverend friend Lord Harries in a moment.

I sense that the Government are right to press ahead with the FTA, provided they do not rush it and risk a bad deal, as the *Independent* put it. A Diwali deadline would mean sacrificing or avoiding some of the tricky core issues, such as the environment, health, fuller intellectual property protection and dispute

[The Earl of Sandwich]
resolution. The former Trade Secretary said that she wanted a comprehensive agreement, but the July joint outcome statement mentions the end of October and the signs are that the new Prime Minister, still riding on the wagon of Brexit, was right to get on with it. The Government's drift eastwards since Brexit is also connected with our application to the CPTPP. The tilt towards Asia and the Pacific has been a well-understood priority of this Government, but how does India fit into that? Like China, she is unlikely to quality for the CPTPP and has no interest in joining it. In general, as the noble Baroness said, the committee believes that the international context of this FTA, and indeed of other recent agreements, has been left out. Will the Minister say what is the background?

What is the Government's longer-term trade policy? The DIT claims as a strategic aim an increase in our exports to India by up to £16.7 billion by 2035. This seems quite possible if enough time is taken with the agreement, but how exactly will it be achieved? With India still famous for red tape and corruption, it is not an easy business environment, as the noble Baroness mentioned. Internal tax barriers are also a serious problem, notably over whisky earlier this year, yet the Government offer no solutions. Restrictions on foreign investors are formidable, and the DIT recognises that, but the published objectives of this deal are too vague to enable us to pick out the real priorities. The number one priority for goods is the lowering of tariffs. Our report points out that India is still a developing country, technically a lower-middle-income country, and is still enjoying many of the benefits of the GSP. This means that two-thirds of India's exports to us are tariff-free, while we have to pay duty on all but 3% of our exports to India. However, the picture is changing and there are opportunities. The Government now need to prioritise goods that are not covered by the GSP, such as textiles, vehicles, chemicals, electronics and renewable energy, in which India is becoming a world leader.

Consultation with the devolved Administrations, mentioned by the noble Lord, Lord Frost, has never been one of the Government's fortes, at least not in the experience of this committee. We heard concerns from the Scottish and Welsh Governments that SPS standards, the environment and possible adverse effects on other developing countries had all been virtually ignored in the agreement. I was sorry that this evidence came late and was not sufficiently reflected in our report. However, we did say that HMG had again failed to consult fully.

I can understand why pharmaceuticals are a sensitive issue and have been played down in the agreement and the UK's strategic approach. Nevertheless, India's generic drugs play an essential role in our health service. This must be more openly acknowledged, however contentious. To state it politely, there is a delicate balance between IP provisions and dependence on generics. We have invited the Government to explain how this balance can be achieved. Perhaps the Minister will have a shot at that as well.

Others will be much more qualified than I to speak about the environment, but we hope that HMG will offer India a deal to support its decarbonisation efforts, such as the international Just Energy Transition Partnership agreed with South Africa. With energy prices rising and more dependence on Russian oil, it will become harder for India to forecast the closure of any coal-fired power station. As with the Australia FTA, much more work could be done to calculate deforestation rates in the Himalayas, which are so critical to climate change.

The FTA will increase GHG emissions even before transport is included. What about the boost to green industries promised in January? Is that sufficiently reflected in the agreement? On visas, will the Government further relax the quite successful visa regime in favour of higher education and post-study work visas?

One could cover many other points, but I will leave it there, except to say that India's long-held reputation as a non-aligned country has again been badly dented by her refusal to condemn the Russian invasion of Ukraine. Although it is not directly relevant to this agreement, it will surely dampen down our enthusiasm for it.

4.12 pm

Lord Hannan of Kingsclere (Con): My Lords, I begin by declaring an interest as an adviser to the board of JCB. I mention it because it has really become, in practical terms, an Anglo-Indian company. Since my noble friend Lord Bamford made at that time a rather countercyclical decision in the 1970s to invest heavily in India, JCB has become an immense employer there, to the point that many Indians think of it as an Indian company or, at the very least, in the same sense that they think of cricket—it may technically happen to have been invented in the United Kingdom but it is essentially, in all practical senses, a largely Indian institution. That company seems to me a symbol of what I would like to talk about: the opportunities for both our countries and why we need to seize the moment.

The noble Baroness, Lady Hayter, asked whether we are getting the timing right. I put it to the Committee that we are getting the timing right both directly and in a more macro sense. For a long time, India was very slow to open its markets at all. Protectionism cast a very long shadow there. Think of the Indian flag, with the blue wheel—the chakra—in its middle. That was a stylised form, as you see very clearly in the flag of the old Congress Party, of the handloom. It is the kind that Gandhi used to carry around with him because, in his mind, independence and self-sufficiency were aspects of the same concept—swaraj. Because of the moral stature of Gandhi, protectionist and mercantilist thinking lasted in India for decades longer than it would otherwise have done, greatly to the detriment of Indian citizens, particularly those on low incomes.

It was really only in this century that India began properly to open its markets and join the global economy, starting in its own region and then signing deals with ASEAN and, more recently, with Japan. As a result, our share of Indian trade has fallen as those other countries have taken our place. In the years since the turn of the century, as a share of the Indian total our goods exports have fallen from 6% to 1.3% and our services exports from 11% to 2.1%.

This is a remediable problem; there are institutional solutions to it. Indeed, I would argue that there is no country, certainly no western country, better placed than ours to have a comprehensive and mutually beneficial

trade deal with India. It has become commonplace in politics, almost a cliché, to talk about every group of migrants as enterprising, but in this case it is difficult to think of any migrant group anywhere in history that has been more enterprising, more business focused, and has added more to the economy of the welcoming country than the 1.5 million Brits of Indian origin, dominating, as they do, our lists of successful entrepreneurs.

There are also plenty of reverse JCBs; British brands have been extremely popular, from Jaguar to Tetley, as targets for Indian investors. That two-way investment rests on the most obvious congruities of language and law, habit and history, culture and kinship. What has not yet followed is the trade, because we have artificial government-imposed barriers to what would otherwise be a very natural commercial flow. If he was still alive, Gandhi would be astonished to discover that on the question of textiles it is now the other way around; it is not Lancashire dominating the handloom industries of India but now Britain imposing tariffs against Indian textiles, or having at least inherited those tariffs from the EU, including a 9.3% tariff on men's shirts.

There are, of course, tariffs the other way around, as the noble Earl, Lord Sandwich, reminded us, including on whisky, on which there is an extraordinary 150% tariff. We should always remember that tariffs do the most damage to the country that applies them. Yes, they do some incidental damage to the exporters of the other country, but the cost is paid by the citizens whose Government impose them.

Removing these tariffs is an easy and demonstrable game, but that is not where the biggest opportunities lie. We have to think like a 21st-century economy, not a 19th-century economy. The big gains are in tech, engineering and coding, and in the mutual recognition of credentials and professional qualifications, which will mean changes to our visa regime. I cannot believe that there is no deal to be done there. What has tended to slow it up is that Britain has been pushing for more flexibility from the Indian Government on taking back failed, or illegal, entrants into this country, while India has been pressing for more work permits, more tier 3 visas. Surely there is a landing zone there. It must be possible to hammer out a deal whereby it is easier for Indians to come here legally but not so easy for them to come here illegally. Both Governments could easily trumpet that as a victory.

As for doing it by Diwali and whether we are being too hasty, the best answer I heard was from my Board of Trade colleague Tony Abbott, the former Australian Prime Minister. He was Prime Minister of that country fairly briefly—for 18 months or so—yet in those 18 months he managed to sign fairly ambitious trade deals with China, South Korea and Japan. When I asked him the secret, he said that it was imposing an iron deadline because otherwise the trade negotiators on both sides would string it out indefinitely; they like process and being part of the process, and there is no incentive on them. As my noble friend Lord Frost adds, there is then a constant open door to domestic lobbies to push for further additions or accretions to the deal. It is extremely important to have a deadline, even if it is a deadline by which to have concluded the bulk of the talks rather than one for ratification, which of course is a different question.

Finally, a number of noble Lords have raised the wider geopolitical orientation of India and the disappointing refusal of the Indian Government to take sides on the Russia-Ukraine conflict. I share that disappointment—by the way, it is a policy common to every south Asian Government; I think that they have all taken exactly the same position on the Russia-Ukraine war—but it is especially disappointing from a state that tends to self-define as a democracy. Indians take justified pride in the fact that, unlike some of their neighbours, they have remained a law-based democracy since independence. Elections happen without anyone being exiled or shot; the army does not step in and take power. It is therefore somewhat disappointing that India did not take a stronger line on the Ukraine war—not as a favour to the West, but in accordance with its own values. But whereas some noble Lords seem to see that as a reason to hang back or hesitate, I see it as the opposite. The orientation of India is perhaps the key geopolitical question of this century. If India sees itself primarily as an English-speaking democracy rather than just as an Asian superpower, then the world is an altogether brighter and warmer place.

We have been through a great deal together. The two largest volunteer armies in the history of the human race were the Indian armies in the First and Second World Wars, respectively 1.5 million and 2.5 million volunteers. There was no conscription on either occasion. We have a living link made of the extraordinary enterprise brought here and the extraordinary contributions across our national life made by British people of Indian origin. I am certain that, coming together as free and sovereign equals, we can restore what should be the natural traffic in commerce between two countries bound by what my friend, Professor Madhav Das Nalapat, calls the blood of the mind—a shared habit, a shared way of looking at property and at commerce. I am sure that, in that spirit, the best is to come.

4.21 pm

Lord Kerr of Kinlochard (CB): Despite the undoubted quality of the report so ably introduced by the noble Baroness, Lady Hayter, and despite the expertise available in the Room, I have the feeling that the eyes of the nation are not on us. I think we now know how Rosencrantz and Guildenstern must have felt.

In another sense, this is an oddly timed debate. Here we are, looking at the Government's objectives in a negotiation that has been going on for eight months and is due to finish in seven weeks. The document in which those objectives are set out is drafted in such general, unspecific terms as to make it clear that its objective is to tick every lobbyist's box so that the Government can say at the end of the day, "Well, at least we tried." It is not the basis for a serious debate. It should be possible—I look for support on this from my old colleague, the noble Lord, Lord Frost—to devise a more grown-up relationship between Parliament and the Government on trade negotiations.

However, this is the only document we have, so debate it we must. If we do not, the next thing to happen will be a fait accompli: an agreement that we then cannot change. I hope that, with the help of the noble Lord,

[Lord Kerr of Kinlochard]
Lord Frost, and possibly with that of the noble Lord, Lord Grimstone, we may be able to establish something a little more meaningful. Like the noble Baroness, Lady Hayter, I have never understood why taking back control means Parliament cannot be as well informed as it was when our trade negotiators were Brussels based, or as the European Parliament then was and now is. It would be in everybody's interest that we be as well informed. As an ex-negotiator myself, I know from Washington and Brussels experience how the oversight of an informed legislature strengthens the hand of the negotiator. Therefore, the Johnson Government's policy of concealment, highlighted in the ludicrously contrasting texts at appendix 5 in the committee's report, seems to constitute a severe case of self-harm.

However, a new Prime Minister means a new Foreign Secretary. Perhaps we can turn over a new leaf and have a new start on this relationship. Meeting during the changing of the guard means that we can offer a bit of advice to the next occupant of the great office where Lord Grey watched the lights go out over Europe, Johnson penned his pieces for the *Telegraph* and Truss put up more flags.

I have three quick tips for the incoming Foreign Secretary, whoever he is; sadly, the forecast is not for frost. First, pay attention to the office experts on international law. They are very good. Defending the international system, as we must, means not just opposing people who scorn and subvert it, such as President Putin, but not breaking our international agreements, such as the 2019 treaty of the noble Lord, Lord Frost, or the 1951 refugee convention. The Foreign Secretary's job is to remind Cabinet colleagues that our word is our bond and insist that pacta sunt servanda.

Secondly, respect my old service's understanding of other countries' attitudes and interests. In international relations, there are few symmetrical, zero-sum games. Widening the parameters in a negotiation and bringing in areas of interest to the other side are usually more effective than pouting and shouting. Use the expertise of the embassies—and not just for arranging photo ops.

Thirdly, believing in alliances means not disparaging allies. France is a friend, not a foe. There are only two types of European state: middle-sized countries and those that have yet to realise that they are now only middle-sized. Like it or not, we are Europeans too. We depend on their co-operation and custom. Naturally, our biggest market is our closest market. It is a pretty inexorable rule that trade halves as distance doubles. Global trade is now 20% above pre-Covid levels; ours has flatlined. We are not going to put that right until we rebuild a productive trading relationship with the rest of Europe. That must be the number one trade policy aim.

So let us get the India deal into perspective. According to the Government's own analysis, by 2035, it might add between 0.12% and 0.22% to our GNP—not exactly game-changing. Incidentally, I hope that the new Government will tone down the boosterism. I am much less critical than some—including some in this Room—of the new trade agreements with Japan, Australia and New Zealand, but their economic effects will also be pretty marginal. It does not help those ready to defend them when government spokesmen systematically insist that what seem to be perfectly respectable geese are actually stupendous swans.

That brings me to my last, and very serious, point about the negotiation with India. Why the rush? Today's top geopolitical priority must be the survival of a free and sovereign Ukraine. National Governments tend to be against invasions lest they prove habit-forming. The 1982 attack on the Falklands and Saddam Hussein's 1990 occupation of Kuwait were condemned; with UNSCRs 502 and 678, sanctions followed. Russia's veto rules out any similar UN action now, but I am struck by our apparent inability to orchestrate any similar worldwide condemnation of Putin's aggression and Russia's blatant breaches of the Geneva conventions. If we have been trying—if we have been calling the Commonwealth from Chequers—we have been keeping quiet about it.

We have not been doing very well in Delhi. Mr Modi's Government have raised no objections to the invasion of Ukraine or the barbaric methods employed. His Government have refused to join any sanctions. Indian exports to Russia are rising steeply: India bought no Russian oil before February but is now taking close to 1 million barrels a day. Indian forces are, as we speak, taking part in the Russian Vostok military exercise. Are we sure that now is the time to reward Mr Modi with new trade concessions? Are we bringing any Ukraine conditionality into this deal? If not, should we not? If the conditionality is resisted and rejected, should we not go slow?

If Putin eliminates Ukraine, as he said he aims to, there goes the post-World War II international settlement. There goes the rules-based system. There, incidentally, goes the reputation of the new Foreign Secretary, whoever he is, and the new Prime Minister. Trade policy cannot be ring-fenced and immune from geopolitics, so my key advice is to get our priorities right, which, in this case, means not being driven by a vacuous Diwali deadline. I say to the noble Lord, Lord Hannan, that I do not think it is enough to be disappointed at the Indian attitude. We have to use all the means at our disposal and all the skills of our diplomacy, including our trade diplomacy, to try to get the Indians to think again.

4.31 pm

Lord Lansley (Con): I am very glad to have the opportunity to follow my fellow member of the International Agreements Committee, the noble Lord, Lord Kerr. On the issue which he quite rightly raises, but which our report does not take a position on—the question of conditionality of trade relations with India given the Russian aggression in Ukraine—where I personally stand is that, if we can maximise, as my noble friend Lord Hannan said, the economic partnership between ourselves and India, we can also maximise its adherence to democratic values. It does not always happen—it did not happen in China because of a one-party state—but in a democratic country, which India is and has been successfully, we can look for the economic interrelationships themselves to give rise to a strong feeling within India of who its allies really are. I think that will have an impact. For that reason, I am very much in favour of us trying to have not only a

free trade agreement with India but one which is the starting point of a wider economic partnership. That is the point I really want to make.

There is a risk that we focus on what is to be published or not published by Diwali. The Indian Commerce Secretary, Secretary Subrahmanyam, was reported in *Mint* today as saying that 19 out of 26 chapters have been closed, that there are a couple of areas where we are negotiating, and that the Diwali deadline is not going to be missed. But what does that mean? I think it means a statement of heads of agreement, as it were, between the two Governments. From our point of view, we have a right to expect a free trade agreement which substantially covers all trade and which makes substantial reductions in tariffs, not least on UK goods going to India; but also that the heads of agreement in these chapters initiate a substantial series of relationships between ourselves and India on a range of economic issues, which will be developed over time. Indeed, the statements that might be made this year need to be expanded on and developed.

From my point of view, the issue in relation to our report is that I wish we could have had this debate six months ago, at the start of the negotiations, rather than two-thirds or three-quarters of the way through—as I think we all agree. However, I think we can still at this point ask, "What is it we are looking for?", because the Government have not told us what constitutes a successful outcome to these negotiations. To that extent, with no disrespect to the Government, I think people might understandably look at our report and say that it is a good basis for judging whether there has been a good outcome.

Let me give a few examples of where we focused on some of the detail and added to what the Government said in their rather Panglossian way, which would be a good basis for thinking about what constitutes success. The Government talk about the importance of investment protection, but they did not say how or what they are looking for to protect UK investors in India. The committee discussed this a number of times, not least with my noble friend Lord Grimstone, who no doubt will bring a lot of further expertise to the committee. The point he often made was that we have been successful investors abroad, and where dispute settlement and investor protection are concerned the UK has a terrific record; nobody has pursued a successful ISDS case against the United Kingdom. However, we have often needed our investors to have the equivalent protection in other countries, and they have sometimes not had it.

We lost the bilateral investment treaty with India in 2016. The Government are not telling us what the nature of future investment protection should be. In our view, they should be prepared to pursue investor-state dispute settlement agreements, and ideally, in this and other contexts, try to bring India into an internationally agreed system for that purpose, such as through the development of UNCITRAL, not the EU system. As my noble friend Lord Frost accurately said, although the EU is still negotiating with India, it will complete the second round only next June. The EU will demand too many things of its negotiating partners, rather than seek some kind of international consensus. That is where our negotiators might have a valuable flexibility in getting us to an agreement that the European Union might otherwise not achieve. ISDS may be one of these places; it will be very valuable for there to be international agreement and for us to secure it with India.

I will briefly mention one or two other points. We cannot put it all in the agreement now, but it is important to have a process moving towards standard setting in India that meets international compliance. More than 80% of UK standards are ISO-compliant; less than a third are in India. We need India to move. For things such as mutual recognition agreements, which are important for goods, India relies enormously on us getting this kind of process under way. Likewise, our agricultural exports to India are often in premium goods, so we need geographical indications. We have heard the Government tell us that geographical indications are important, but they have not yet secured them through the Australia agreement or in Japanese domestic legislation. We do not even know whether they will seek a commitment to geographical indications in the India agreement, but they should, particularly because the Indian middle-class consumer is a large potential international market for many of these premium goods.

The last question I particularly want to mention, which is really important, is that of an innovation chapter. We have had innovation chapters, for example in the Australia agreement, and I cannot think of a potential free trade agreement for which the process of working and co-operating together on innovation could be more important than between us and India. It will clearly be looking for lots of services mobility and the ability for workers to come here. Much of that will be not only valuable to us, as I know well in relation to the National Health Service, but important to a wide range of innovative businesses—not only in health, but in life sciences, IT, fintech and beyond. We need that co-operation and innovation. The innovation chapter in this agreement might be the most effective one that we use in the future, but we will not see the detail of it in October. What we need, as with many of these free trade agreements, is something that meets the criteria now, but is the substantial starting point of an economic partnership that grows in the months and years ahead.

4.40 pm

Lord Harries of Pentregarth (CB): I thank the committee for its report and the noble Baroness, Lady Hayter, for her introduction. Like other noble Lords, I very much welcome the opportunity for increased trade with India, which can of course benefit both countries, and I have huge respect for India, in particular the resilience of its people. But like all countries, including our own, India has many ills and injustices that have to be recognised and challenged, and some of them have potential links with trade and trade agreements. One of the Government's negotiating objectives reads

"Reaffirm commitments to international labour standards".

By itself this is much too vague and general, which the International Agreements Committee rightly picks up on. In paragraph 89, for example, it says:

"India clearly has weaker labour laws than the UK. Witnesses noted … labour abuses in tea supply chains, including forced labour, failure to pay the minimum wage, gender discrimination and suppression of freedom of association".

[Lord Harries of Pentregarth]

The injustice that is particularly relevant to trade and our desire to increase it, on which I want to focus, is bonded labour. This persists in India as well as in other countries in south-east Asia. During the summer we had a vivid example of this cruelty, not in fact from India but from Indonesia. As noble Lords may have read, workers were flown in to help pick fruit on our farms. They had to pay £5,000 fares for their flights and were subject to many other deductions, with their houses in Indonesia pledged as security. The result was that they were trapped in debt and likely to take very little, if anything, home. I am glad to say that the Indonesian Government are looking into this.

In India, this kind of debt bondage is all too prevalent. According to the 2016 world slavery index, there are 19 million Indians in some form of slavery, many of them in debt bondage. We know that the vast majority of these people in some form of slavery are from the scheduled castes, especially the Dalits—the former untouchables. According to Anti-Slavery International, this amounts to 90% of them. When Dalits try to exercise their rights or resist abuse and exploitation, they are faced with extremely hostile and sometimes brutal resistance by the dominant-caste villagers who uphold the hierarchy. Consequently, when Dalits resist their oppression they risk complete boycott, cutting them off from land use, access to markets and employment.

As we might guess, bonded labour is particularly prominent in the agricultural sector, where 64% of the population work. This is especially linked to caste and caste structures, which are deeply entrenched in rural areas. The reality is that landlords are of high caste, small landowners are of lower castes, and the landless and bonded labourers are almost exclusively Dalits. Bonded labour is also present in the brickmaking and mining industries. Women also suffer in multiple ways: patriarchal systems confine women to certain types of occupations such as domestic work, silk farming, carpet making and weaving. Young girls are commonly recruited to work in spinning mills in India in return for the cost of their marriage or a dowry payment. The parents often wait several years before receiving the money, which is usually less than initially agreed upon.

All this is illegal. Forced and bonded labour are contemporary forms of slavery, and as such are prohibited under international law—law from the United Nations and many conventions from the ILO. I could cite many of them, but I will not do so because of time. The point is that the law is in place and has been strongly reiterated in recent years, particularly in relation to bonded labour. India itself has signed up to all but two of the ILO protocols and conventions, but the practice still goes on. Lack of implementation of the legislative frameworks, failure of the authorities to observe the laws and the impunity of perpetrators are the most common obstacles to eliminating forced and bonded labour in India.

This is where the British Government and British importers have a key role to play. They can take steps to ensure that any goods that are imported were not produced as a result of bonded labour or any other form of slavery. This can make a difference, as we see with child labour. The report *Sowing Hope* examined child labour and wages in cotton and vegetable seed production in India. It demonstrated that children under 14 years old account for more than 18% of the workforce in the cotton seed farms surveyed. More than 50% of the child labourers in the sector are Dalits or Adivasis, and the majority of child labourers do not attend school.

Although still too high, the total amount of child labourers has in fact declined since 2015 due to initiatives by companies and NGOs. The report finds that wages across the sector are still far from the minimum wage, a figure that has not significantly improved, and that Dalits are still treated far worse than others, but in the 613 sample farms surveyed there was a direct correlation between the decline of child labour in companies that have implemented special programmes to address this issue, compared to those that have not yet tackled the problem. That shows that companies can have a real effect, so I strongly agree with the scrutiny report and its recommendation in paragraph 92 that

> "The Government should either seek to strengthen labour protections informally, through co-operation mechanisms established in the trade deal, or formally, by requiring minimum levels of protection. It should discuss options with stakeholders, including development organisations and trade unions."

I urge the British Government to insist in the final form of this trade deal that all companies importing goods from India or exporting to Indian markets sign up to the forced labour protocol of the ILO. Companies should also be obliged to map and disclose suppliers, sub-suppliers and business partners in their whole value chains. This trade deal provides a good opportunity not just to increase trade, but to ensure that the agreements that are made play their role in eliminating the horrible practice of bonded labour. The Government have a key role in ensuring that companies do this.

4.48 pm

Lord Udny-Lister (Con): My Lords, in speaking in this debate, I draw attention to my interests as set out in the register and to my work for HSBC. I, too, thank the noble Baroness, Lady Hayter, for securing this debate.

I mention the importance of this debate. It is now, I think, universally acknowledged that India is indeed on the climb and that by some projections it will become the world's third-largest economy by 2050. As a country now unshackled from the EU and ready to embark on its own programme of international trade, securing a free trade deal with India is of strategic importance to the future success and prosperity of the United Kingdom.

That said, we all knew that this negotiation was going to be extremely challenging. India is well known for having tough and experienced negotiators, long-standing protectionist tendencies and complex regional variations in its bureaucracy. That backdrop provides a challenging, yet not impossible, set of circumstances which our Ministers and negotiators have had to overcome. I must draw your Lordships' attention to the progress that the Government have made, especially after the Prime Minister's recent visit to India, which seems to have secured a resumption in proper dialogue, providing a jolt of energy that secured more frequent communication between the UK Government and the

Indian Government. The evidence for this is quite clear. We have now seen the problems surrounding Cairn Energy and Vodafone, which have been going on for many years—for Cairn Energy, they are over 10 years old—start to move towards some resolution.

In short, dialogue between the two Governments is important, and we have not had it at this level for some time. Her Majesty's Government have made it crystal clear for some time now that the intention is to tilt the future of UK trade towards the Indo-Pacific. Thus, securing a free trade agreement with India will not only complement the UK's existing commitments in the region, but strengthen our ambitions with regard to the CPTPP.

Some say that the brakes need to be applied to these negotiations. They do so by voicing concerns that some sectors may get left behind or that, through speed, our standards may become weakened. However, I see things very differently. International trade is moving at an unprecedented pace, and all the time we ask to stall, all the hours that are left dwindling, provide only an opportunity for others to come knocking at India's door and for our overall negotiating position to become weakened. I challenge those who call on the Government for such a delay to show some faith in the natural forces of the market and to look at the Government's recent successful track record in delivering free trade deals at a considerable pace and for the benefit of the UK.

It must be remembered that, in working with India, we are not starting from scratch. We are working with an old friend whom we know well, and it knows us. The UK has a long, complex and important relationship with India. Our already established economic links are significant—£23 billion in 2019—and through the Commonwealth the UK and India are already strategically aligned and share a common set of values and ambitions that can only be strengthened through proper trade. The Government should be commended for capitalising on the Commonwealth advantage in securing free trade deals with several Commonwealth countries, including Australia and New Zealand, and it would be great if India became the next.

Our cultural links with India provide a perfect backdrop for the forging of a new and ambitious future. Some 1.5 million British nationals are of Indian origin. With half a million jobs in each other's economies already supported, the Government's objectives not only look sound but are the way to move forward in future. The success of the Indian diaspora in the UK has laid that foundation for better business-to-business and Government-to-business relations. I hope that the Government can explore this as a way in which we can grow our business.

The geopolitical situation we currently face could not be more trying. Both India and the UK are now in the process of recovery from the twin shocks of Covid and the crisis in Ukraine. We have seen aggression and protectionism from certain states reaching levels that we can now feel at home. With this comes an absolute need for our businesses to be given the freedom to diversify into alternative markets. That is why we should encourage this negotiation to move at pace.

In their statement, the Government have made it abundantly clear that they are entirely committed to upholding the UK's high environmental, labour, food safety and animal welfare standards. However, on the environment, would my noble friend the Minister agree that an FTA with India would provide an exceptional opportunity for the advancement of the UK's leading renewables sector and that British firms currently innovating in this sector stand a great chance of playing a big role in the decarbonisation of the Indian economy? Further to this, I would be grateful if he could outline what actions the Government are taking to ensure that reducing tariffs on our green exports is an integral part of FTA negotiations, especially given that India has now committed to sourcing 50% of its energy from renewables.

We also have a proud history of standing up for and advancing human rights, particularly for women. The fact is that India has considerably weaker labour laws than the UK—a point made by the noble and right reverend Lord, Lord Harries. There are documented cases of widespread discrimination against women in India, which must not be ignored. It is vital that our trade deals are never seen to undermine the UK's international commitment to gender equality. I therefore want clarity in these negotiations on what mechanisms the Government are seeking to deploy to strengthen labour protections, either formally through the agreement or informally, which is probably more likely.

In turning to the important area of digital trade, it is worth noting that digital and data services will underpin the success of the FTA secured. With this in mind, the UK must ensure that an adequate data protection regime is in place. Again, I would be grateful if we could get an update on that. I fully understand that there is no data legislation as such in India, although it is currently being put back through Parliament. I suspect that this whole section will be removed from the negotiations, but it is important that we ensure that we have some mechanism for coming back to it at a later point.

Public procurement is an area where we are, I hope, negotiating hard. Historically, there has been a reluctance from India to include public procurement in its FTAs but, in evaluating the growth of the Indian economy and seeing the exceptional demand for its infrastructure, it would be a huge loss if UK business did not have an opportunity to gain market access under the FTA. Again, it would be great if we could have some update on that.

This issue has already been raised but, through the UK Bribery Act 2010 and other legislation, the UK has a strong and tested anti-corruption framework. It is worrying, however, that some UK SMEs have either been put off trading or stopped trading altogether with India due to corruption concerns. I would be interested to know how we are going to deal with that.

The UK's financial and professional services rely on the recognition and transferability of professional qualifications. This is most pressing in the legal sector, which, if we get this right, could stand to benefit significantly from the FTA. In pursuing the FTA negotiations, I would like Her Majesty's Government to strive to achieve recognition of UK professional

[Lord Udny-Lister]
qualifications, particularly our legal qualifications, when UK professionals seek to enter India's regulated professions. This step has the ability to increase drastically both the UK's legal services exports to and legal services imports from India, so it is of value to both sides.

It is clear that the recognition of academic qualifications is just one part of the jigsaw puzzle. If the UK legal sector is really to reap the benefits of this FTA, we need to see a relaxation of visa restrictions on both sides, particularly for legal graduates and professionals. If the Government are successful in easing the cross-border movement of legal professionals, there will be an enormous benefit to be gained by lawyers both here and in India. We know that India wants market access to the UK's legal sector, but we also know that it is protectionist about its own. AI and cybersecurity are other areas that are important in these negotiations.

In voting to leave the European Union, as we have now done, the British public were told that this would be our opportunity to set a course on a new era of international free trade. The Government have a clear mandate to use the UK's recently regained sovereignty to seek and secure such free trade agreements. I wish our new Prime Minister and her team godspeed in delivering this one.

4.59 pm

The Earl of Caithness (Con): My Lords, I thank the noble Baroness, Lady Hayter of Kentish Town, and her committee for producing the report we are discussing and for their hard work in assessing the situation—which is opaque, to say the least. I also thank the Government for their intention to get a free trade deal with India as quickly as possible. That is highly commendable.

It is true that the eyes of the country are not on us at this moment, but I know that all the ears of the Committee listened carefully to the noble Lord, Lord Kerr of Kinlochard, when he said that he wished there could be a grown-up relationship between Parliament and the Government when discussing trade deals. I hope my noble friend takes that message back firmly to whoever is the new Secretary of State. Is the limit of our discussion on trade with India really this so-called debate? What further thoughts does my noble friend have on discussing this, because there is so much to discuss about trade with India that this debate cannot, in any way, be passed off as "We have consulted Parliament"?

I agree with my noble friend Lord Hannan of Kingsclere about the orientation of India. To me, this is probably more important in the long term than the orientation of China, which will certainly not change for some time. There is a huge role for Britain and the West to play with India, and it must be pointed out to them that it is also in their and not just western interests that that orientation is as close as possible. This potential free trade agreement is therefore an integral cog in that development.

I will slightly change the tone of the debate and refer to the report, because that is what we are discussing. I was particularly interested by paragraph 64, on our old friend the investor-state dispute settlement. I see the noble Lord, Lord Purvis, and others and remember the Trade Bill of 2020, on which we very nearly defeated the Government on ISDS. I cannot understand why the committee thinks this is such a good idea: I dislike ISDSs and do not think they help. Not only are they a blunt instrument but they can be used as a lever to distort trade before it gets to the court system. However, I totally agree with the committee in its final sentence of paragraph 64:

> "Whichever mechanism is put in place, it must be independent and enforceable."

Can my noble friend confirm that that will be the intention?

It will not surprise your Lordships that I turn now to the environment, climate change and farming. Not much is said about this in the Government's objectives, but it is another area where a free trade agreement could be beneficial to both sides. It is hugely important, as the committee rightly points out in paragraph 86, that

> "The Government should consider how it can support India's decarbonisation efforts."

If the importance of climate change did not register on Indians' Richter scale until now, surely the devastating floods in adjacent Pakistan must have. If something is not done about it, there will be huge catastrophes throughout the world, particularly in India. India must surely realise that help in combating climate change will not come from Russia; armaments might, but that help will come from the West. That is so important in getting this free trade agreement right.

Farming is not even mentioned, but is crucial, because British farmers have nothing to fear in a free and fair level playing field of trade, as the NFU put it. I hope my noble friend confirms that that is the Government's ambition.

My noble friend Lord Hannan of Kingsclere mentioned tariff barriers, but I want to mention non-tariff barriers, because they are equally detrimental to trade. I shall give your Lordships a couple of examples. There are 230 sanitary and phytosanitary measures on UK exports, compared with four that the UK applies to Indian imports. India applies 193 technical barriers to trade, compared to 54 applied by the UK. So it is not just tariff barriers that are important; equally important are non-tariff barriers.

Then there is the difficulty of doing business in India, which many of your Lordships have mentioned. For those in the farming and environmental world, there are seven Indian government bodies and authorities for agriculture and trade. That is something that I hope India will change, but it is also something that we can help it change for the better, with our experience.

Going into more detail—because of course the devil will be in the detail—I look forward to seeing what the free trade agreement has to say about eggs. I note the condition in which hens are kept in India, in cages which were banned in this country many years ago. Why should our farmers be subject to imports produced on a basis that would be illegal in this country? That is fundamental to how the free trade agreement will be judged.

In conclusion, I hope that my noble friend will confirm that agriculture and the environment will not be sacrificed on the altar of this free trade agreement,

as they were with the Australian free trade agreement, and that considerably more importance will be put on these matters in the future.

5.06 pm

Viscount Waverley (CB): The relationship with India ranks alongside the most important. Free, independent and democratic, India is a powerhouse that will play a pivotal role in future world affairs and commands attention and respect. A potential United Kingdom-India free trade agreement would be the UK's first with a south Asian country and India's first with a major western economy and a member of the G7. India is the UK's 15th-largest trading partner and accounts for 1.7% of total UK trade. The potential economic gains from this comprehensive agreement are projected to be more significant than those from trade agreements with Australia, New Zealand or Japan. However, the UK has lost market share, with every country in the G7 having faster growth in their trade with India in percentage terms. The UK needs to play catch-up, with a global Britain working hard and fast on its relationships.

There is much to be gained therefore in strengthening an historical, deep, across-the-board relationship, but we should recognise that this relationship should never be taken as a given. The previous UK Prime Minister's visit to Delhi and Gujarat, recognising that half of British Indians are of Gujarati descent, was a helpful UK-India bilateral exercise that served to further opportunities across the energy and health sectors, the green economy, including offshore wind and hydrogen, and the important security and defence partnership, building on India's desire to move on from Russian weaponry procurement. The need for effective new technology and hardware to respond to threats in the Indian Ocean as part of the Quad grouping alliance with the USA, Japan and Australia is geo-imperative. Our overdependency on China as a supply chain provider presents India with opportunities to be a reliable, competitive global alternative.

The UK should not be too starry-eyed. The Indians are canny and challenging negotiators, and the importance placed on trade agreements by India differs from our relentless, active pursuit of FTAs, contrasting with India's scepticism. More remains to be done, however. India's political class is questioning the merits of expanding trade links with the UK, with much of its thinking dating from the colonial era when unfettered imports from Britain had a negative effect on the domestic economy. India's businesses are keen to safeguard their interests by advocating for a slower pace of trade and investment liberalisation, and I have little doubt that the Rajya Sabha, the Council of States, and the Lok Sabha, the House of the People, will wish to be assured that the interests of the differing regions of that vast country are properly covered before ratification.

Nevertheless, notwithstanding India having a record of pulling out of substantive negotiations, there are indicators of a fundamental change in approach. Delhi is unlikely, however, to acquiesce on reducing tariffs unless progress is made on mobility, a key demand that will allow skilled Indian workers into the UK. Tariff removals from India's agricultural sector, for example, are crucial for protecting India's ability to produce its own food supply and the employment of almost half the workforce. Significant additional challenges remain with divergences in the services, market access, digital, investment and dispute settlement mechanisms.

The UK might wish to consider the production of defence equipment in India and its exporting to third countries. I note the sailing from Kochi last week for sea trials of INS "Vikrant", India's first home-built aircraft carrier. India would welcome the British ship-building industry leveraging lower costs of manufacturing in Indian shipyards. Dual-use technologies are also considered important with cross-border data flows, data protection and cybersecurity as important areas that India and the UK could usefully collaborate on, in addition to energy security, including areas such as green hydrogen, beyond opportunities in manufacturing.

Advancing financial services is a key ask, from which the UK would benefit substantially in better access for our financial and legal services firms to the Indian market. The financial sector is emerging as a vibrant and dynamic area of growth in the Indian economy, but India ranks only 30th as an export destination for UK financial services. Figures suggest that Britain exported only about £3.8 billion of services to India, with financial services making up less than 10% of that total. Indian financial centres, unlike their Asian peers, are not sizeable in serving India's economy. On the flipside, it is essential that the UK be competitive and offer attractive propositions to India, which would also serve to stem any general decline in our financial services sector.

Five rounds of negotiations have been concluded, with a whole raft of matters remaining. India is keen to tackle smuggling, counterfeiting and loss of tax revenue; improvising customs arrangements to reduce bureaucratic delays and red tape is considered crucial for small businesses. The UK Government have listed intellectual property as important within a trade deal that would enable low-cost vaccines to be produced by countries such as India.

Are concerns about toxic pesticides being allowed into the UK a potential stumbling block? Impacts on UK agriculture resulted from an increase in Indian wheat exports to the UK which contain chlorpyrifos, which was banned in 2019. International labour markets with low pay and exploitative conditions should be a factor. It is therefore considered important that an investor dispute settlement scheme be put into place to allow foreign investors to sue when profits are threatened.

A strategy to boost exports to India is needed. But if the UK is to be serious about trade, will the Prime Minister finally allocate a trade envoy to India—and not just one, by the by, but four, to accommodate India's size and diversity? The detail must be got right. Deals of this size could typically take years to complete so it is questionable, given the challenges, whether the setting of an ambitious but arbitrary deadline for concluding the negotiations is the right approach. I am reminded of my grandfather's remarks on the subject of local needs when assuming the governorship of Bengal at a challenging time in its history. Communities

[Viscount Waverley]
in both India and the United Kingdom should benefit from a draft that will stand the test of time and balances mutual advantage in addressing the wide diversity of India.

5.14 pm

Lord Balfe (Con): My Lords, I add my congratulations and thanks to the noble Baroness, Lady Hayter, on chairing this committee and getting this debate going.

I read the report with a sense of despair, because, if you strip it away, it does not actually say very much. It seemed to me a triumph of hope over experience, as they say. One of the things that struck me early on was the absence of any discussion with our friend, the noble Lord, Lord Mandelson, the Commissioner who began the negotiations on this at an EU level. Frankly, I was surprised that there was no attempt to find out what the problems at his level were.

A couple of years ago, I was fortunate enough to be in the Commission at a reception. I met a French diplomat. I said to him, "What do you do?" He said, "Blah, blah, blah—oh, and I look after the trade agreement with India." I asked, "How's that going?" He said, "Round in circles. It's been 10 years now. We haven't yet got a memorandum of understanding. We're not actually going to get anywhere, but we don't really want to drop it publicly."

We are up against a certain amount of difficulty, and we need to learn from elsewhere. I know that I am an unrepentant remainer, but I am surprised that Europe is not even mentioned in any context in this report. However, it does mention, and is quite right about, the "notoriously difficult business environment". It is notoriously difficult. Part of it is an inheritance from British rule, because when we left India we left the states of India with certain powers in relation to tariffs that they have been completely unwilling to give up. If you travel round India by road, as I have done on the odd occasion, one thing you notice when you get to the state boundaries are long queues of lorries waiting to get through the different state customs levels. When we talk about the need for change in domestic laws, we are rather glibly talking about something that has been a problem for some 75 years. The states do not want to give up their powers, because they use them as part of their weapons against the central state. It is a bit like having Nicola Sturgeon in the middle of India blocking your way of doing things and not being prepared to give up. I am pleased to see the remarks about the investor-state dispute settlement, but unless some flesh is put on it it will not work.

I am disturbed by the fact that the whole report does not mention human rights at all. You would not think from the report that the present Prime Minister of India was forbidden from coming to Britain and denied a visa for many years, and that this was lifted only when the Cameron Government decided that they might make some money there. Frankly, if you look at the state of India today and the tensions between the Hindu and the Muslim communities, you cannot honestly say that they pass the human rights test. You cannot honestly look at them and say, "This is a state that conforms to the human rights that we in Britain expect." When I looked at the back of the report and saw a comparison with New Zealand, I thought, to paraphrase Noël Coward, "Small place, New Zealand. Nothing much in common at all, and certainly nothing much in common on the field of human and social rights."

I also felt that it skated a little on labour rights. ILO rights are quite basic, down to the way in which international agreements must take place, and if we do not support the ILO it will wither away. Countries such as this are reliant on supporting the ILO and its rights to make them mean something, so there are some serious deficiencies.

We are India's 17th-largest trading partner. Position 17 is not a high-leverage position for a start, but I will remark on two separate points that have not been addressed properly. The report mentions facilitation fees, but we do not seem to understand what they are. When I was a Member of the European Parliament, I was well known for my love of men in uniform running countries. For that reason, I was on one occasion sent to Bangladesh to find out what was going on there. I actually got on very well with the military Government that was in power then and with the Finance Minister in particular. I had a useful formal meeting with him, which ended with an invitation to dinner. He explained facilitation fees to me: they are ways to make sure that public servants have enough to live on, because the state cannot afford to pay public servants what they actually need.

The Finance Minister of Bangladesh was clear to me that the function of a facilitation fee was a fee for a service. If someone wanted something done, they paid a facilitation fee. Facilitation fees were not some sort of jungle; they set out quite precisely how much you could charge for what. Public servants knew what the facilitation fees were. The fact that you kept on and on paying them was, as far as Bangladesh was concerned, and I suspect it is exactly the same in India, a legitimate way of running the country. It was a way of getting things done. As the 17th-largest trading partner, we will have some work to get around this problem of facilitation fees, because we say they are corrupt, but they do not think that. They think they are part of the way of running the state.

The final point I will deal with is Russia. We seem to be surprised. It is said that India ended up as a friend of Russia because Winston Churchill, rather like Jinnah in Pakistan, drank whisky. The whole division between India and Pakistan is very real, but the division between Russia and the West was, to an extent, because India felt rather unwanted.

The history of Indian relations with Russia goes right back to the beginning of the state. We have all heard of Francis Fukuyama, who predicted the end of history. In 1987, he wrote the book *The Soviet Union and the Third World: the Last Three Decades*, in which he pointed out that by the end of the 1970s—50 years ago now—the USSR had helped to create 30% of India's steel capacity, 70% of its oil-extraction facilities, 30% of its oil-refining capacity, 20% of its power-generating capacity and 80% of its metallurgic equipment production. This is not a recent relationship, and no one should be surprised by the quite favourable terms that Russia has consistently provided for the development of India and its substructure.

For instance, during the 13-day war in 1971, it was Russia that came to the aid of India when Britain was washing its hands, to an extent. There is a friendship treaty which goes back to 1971. There is a long history and it will not disappear because, frankly, as Russians will tell you, the Indians are not really interested in Ukraine. It is as sad and simple as that. India is interested in Indian foreign policy, which has consistently led it to look after its relations with the Soviet Union. It is looking after them now because it is benefiting from the sanctions.

We are in grave danger of getting into a situation where the end result of sanctions will be a permanent shift from Russia and the "-stans" looking west to their looking south. There is a whole middle class in China and India which is looking for energy in particular and can see the benefits of keeping on the right side of Russia. They cannot see any benefits to keeping on the right side of Ukraine. We need to remember that when we look at world politics because, at the end of the day, foreign policy is about getting the best for your country, not doing favours for the rest of the world. We always remember that when it is Britain—some of our foreign policy adventures have been pretty awful—but we often forget it for other countries, thinking that they should somehow be beneficent and do things for us. Friends, they are not going to.

5.26 pm

Baroness Bennett of Manor Castle (GP): My Lords, I thank the noble Baroness, Lady Hayter of Kentish Town, for securing this debate and the International Agreements Committee for all its work on this report. I strongly agree with some of its conclusions and strongly disagree with others.

In talking about a UK-India free trade deal, we have to start with history. For the majority of the past two millennia, the Indian subcontinent had the largest and one of the richest economies in the world, representing around 30% of global GDP. Then came the East India Company and the Raj. By 1970, India's GDP was about 2% of the global total. It has now recovered to some 10%. Over those recent centuries, India was not an underdeveloped country but one that had been underdeveloped, as a process, by the yoke of British dictatorship. Here I disagree with the noble Earl, Lord Sandwich; this is not ancient history. If you talk to Indian officials and people, this is very much part of the reality of how they see their relationship with the UK today.

Even in recent years, our relationship with India—its Government and people—has not always been smooth. I have appeared on Indian national television only once, in a debate show that I was told had many tens of millions of people watching it in primetime. This was back in 2013 when, under the coalition Government, the UK planned a disgraceful £2,000 visa bond policy that was levied in an utterly discriminatory way on visitors from India, Nigeria, Kenya, Sri Lanka, Pakistan and Bangladesh. Rather oddly, I was the closest thing to a representative of the UK Government on the show. I had rather a torrid time, with Indians—including businesspeople with very large investments in the UK—understandably expressing their anger at this policy, which was an early attempt at the culture war hostile environment that we have seen so much more of in years since. That I was saying the Green Party opposed the policy really did not help much, because I am afraid there was not much sign elsewhere in British politics of opposition to the visa bond.

I reflect on that now because reading the Government's documents and seeing their approach I do not see much sign of a sense of humility, of historical understanding or of the kind of respect that we need to see to establish a future equal, mutually beneficial relationship. As a number of noble Lords have said, it is impossible just to pull money out of the equation and say, "This is only economics and money". We have to look at the whole geopolitical framework, and that involves history, the present and the future. The poverty, the human rights abuses and the destruction of Indian industries and communities that are the legacy of the Raj still have huge impacts today, and for all the lip service paid in the strategic approach to human rights, gender and workers' rights, there is very little sign, as other noble Lords have said, of the practical delivery of such returns from our current trading approaches or plans.

We live in a world of globalised, frenzied trade which has delivered huge profits for a few while the rest of us have paid with poverty, exploitation and huge externalised costs to the climate and the environment. That is the story of trade for the UK. It is the story of trade for India, and the story of trade for the world. We need a different approach, and this is where I agree with the International Agreements Committee about the need for democracy. What we need from the Government is a trade policy covering our approach to all countries that receives proper, full democratic scrutiny. As the very useful WWF briefing for this debate highlights, the lack of scrutiny of free trade agreements and our overall policy may put the Government at risk of breaking their commitments under the Aarhus convention, which means that legislation with environmental impacts should receive meaningful public consultation before it is implemented.

My concerns lie particularly, as noble Lords might expect, with climate, environment and social justice, as well as with the crucial issue of tackling corruption. With the City of London being the global centre of corruption, freeing up trade in services risks exporting our problems to India, enhancing the issues that that nation already has.

Turning to environmental issues, it is interesting to take a case study. The Government's documents and the committee's report clearly foresee real advantages and potential for growth for the Indian garment industry in exporting to the UK. That has to be an area of great environmental and social justice concern. If we look at the environmental issues, the UK today by volume sells twice the amount of clothes that were sold in the UK 10 years ago. Do we really need more clothes, more waste and more plastic pollution? Do we really need this kind of industry that is so often built on, as the noble and right reverend Lord, Lord Harries of Pentregarth, made out so clearly, extreme labour exploitation of women, particularly young women?

In the interests of being positive, I am going to highlight one aspect of the Government's approach that I am pleased to see, which is that there is at least a

[Baroness Bennett of Manor Castle]
mention of antimicrobial resistance. I should perhaps warn the Committee that I intend to make this a focus of my work in the next year, so noble Lords will hear a great deal more on this issue from me. I would like a much stronger focus on a one-health approach which ties together the human, veterinary and environmental aspects of health. Both our nations face significant challenges in these areas. This helps to highlight why this narrow approach on trade and economics is a problem. We need to take a systems-thinking, holistic approach to how we can co-operate and work together to tackle our joint problems.

I come back to the points on which I certainly disagree with the committee, and probably with the Government, on the investor-state dispute settlement procedures. Here I also disagree with the noble Lord, Lord Lansley, as I have before and will probably often do so again. In this context, I note that, disgracefully, a British company recently won $190 million in compensation from the Italian Government, who had taken environmental measures to protect both their own population and the global climate. The Italian Government blocked oil drilling from 12 miles off their shores. Under the energy charter treaty—a subject of growing controversy—using an ISDS procedure and no-win no-fee lawyers, the British developer Rockhopper won $190 million. That was eight times the amount it had invested.

The Intergovernmental Panel on Climate Change recently warned that ISDS risks a "regulatory chill", which will stop Governments taking the essential steps they need to on environmental issues. One study in the journal *Science* found that Governments could be liable for up to $340 billion of payouts through ISDSs for taking the environmental measures we all need. This is clearly extremely dangerous and deeply undemocratic.

I will also comment briefly on the considerable discussion there has been on the barriers to trade within Indian states and the difficulties in dealing with them. This is democratic decision-making. They are democratic governments—they are perhaps not always perfectly democratic, but then ours is not either—making decisions for their people. What right do we have to drive a cart and horses through those democratic decisions?

I will finish by reflecting on the alternatives on this. How might we focus on co-operation and working together, rather than looking at the narrow financial advantage, to tackle the issues we need to? I go back to history. Through the 20th century, particularly in the work of the Institute of Plant Industry in Indore, there was a great deal of understanding of the importance of soil health and the use of green and animal manures. Research was carried out there that was transported to the Soil Association in the UK, which now increasingly informs thoughts and scientific research in the UK about the future of protecting our soil, which the NFU and many others will acknowledge. This two-way exchange of knowledge, ideas and research is the kind of exchange on which we need to focus.

In thinking about that and putting it in this model, I drew the attention of the previous Government to how we might look at trade differently, as fair trade and co-operation rather than free trade that benefits the few. In 2019, Costa Rica, Fiji, Iceland, New Zealand and Norway announced the Agreement on Climate Change, Trade and Sustainability, which aimed to slash the barriers on trade in environmental goods and services, to phase out fossil fuel subsidies and to encourage voluntary eco-labelling programmes and mechanisms that could go across international arenas. It is based on a commitment to achieving environmental outcomes, not just to increasing export volumes.

The noble Lord, Lord Balfe, brought up Scotland. As we speak, Scotland is announcing what looks like an impressive programme for government. I am proud of the contributions that Green Ministers have made to that programme. I would welcome the chance to discuss more ways in which we might green Britain's trade policy. The models are out there; we just need to adopt them.

5.39 pm

Baroness McIntosh of Pickering (Con): My Lords, this has been an excellent debate. I congratulate the noble Baroness, Lady Hayter, both on securing the debate and on the excellent report that has formed the basis of it.

One omission in the agreement that I was slightly surprised by—perhaps I have missed it—is to do with commercial aviation aircraft. The leisure sector is one out of which the UK would stand to do extremely well. It seems slightly odd that, as an area that might be very much in the interests of the UK, it is not on the table. I would be interested to hear where we are in that regard.

I fear that this agreement generally falls into the basket of the other agreements that we have debated in this very Room before, where there is a certain lack of symmetry in what the agreement proposes to do for the two parties. To me, that is a matter of great regret. This was an opportunity where we could be seen to remove the barriers—and not just tariff barriers, as one of my noble friends said. As my noble friend Lord Caithness said so eloquently, it is the non-tariff barriers in these free trade agreements that often lie at the root of the problem.

I want to give a couple of examples in this regard, if I may. This issue was picked up by my noble friend Lord Udny-Lister, who was of course not privy to our long debates on both the Trade Act and the internal market Act, as they now are. We want to see opportunities. I declare my interest as a non-practising Scottish advocate; I had wonderful opportunities to work in the European Union and have, I hope, benefited from that in my work in this House. It is interesting to note that paragraph 51 of the report clearly states that

"the Law Society of Scotland called for changes to the Indian visa system to open up the Indian market for legal services and stated that an FTA should build on mobility commitments made by India under the ASEAN-India FTA."

I would very much like to know what the Government's response to that is. My noble friend the Minister will remember those debates because he was privy to them and sat patiently through them. Having had the door to the European Union closed in many respects, there is potentially an opportunity here for legal practitioners on both sides of the border between Scotland and England to benefit. What was concluded in the committee's report is very powerful.

I was taken by what the noble Baroness, Lady Hayter, said at the outset: that the test will be whether it is easier to do business with India afterwards. Again, I would like to see that on the basis of reciprocity, which brings me to my key point. The NFU is on the record as saying as far back as January this year that a trade deal with India

"could offer huge opportunities for UK farmers to export more quality UK food abroad".

In its view, however, it is absolutely "vital" that any deals maintain the

"principles of high animal welfare and environmental protection and ensure these are upheld for imports too."

I was slightly concerned by my noble friend Lord Frost's comments. I may have misheard him but I think he said "even if it makes life tougher for existing businesses". I welcome him to this place with open arms but I sometimes think that it would have done him enormous good to have gone out there, fought an election campaign and found out what is acceptable on the doorstep and what is not. In the last election, under the outgoing Prime Minister, what was acceptable on the doorstep was that we would have the highest possible animal welfare and environmental standards in our food production. To me, the corollary of that is what is good enough for producers in this country. A million people signed the petition organised by, I think, the NFU. What is good for home production and what consumers want to see in this country is our imports also meeting those highest possible standards.

I know it is of concern to other noble Lords, such as my noble friend Lord Caithness—I think the noble Viscount, Lord Waverley, referred to this as well—that pesticides which are not legal for production in this country are widely used in India. I have no doubt that the concerns expressed to the committee by the Welsh and Scottish Governments will be heard, but I would like to hear from my noble friend the Minister in his summing up how their concerns will be acted upon.

In conclusion, I want to draw attention to the aspects of the report which relate to the complex sanitary and phytosanitary rules which India applies to imports. Witnesses told the committee that these act as a trade barrier. The British Standards Institution went on to say that

"only 30% of Indian standards were harmonised with international standards and regulations … traditionally used by the Indian government … favour domestic producers and self-sufficiency",

and argued against

"recognising Indian goods standards as equivalent or compliant."

That lies at the core of my concerns. If we have achieved excellent production at very high expense in this country, we must not undercut our farmers in that regard.

I pay tribute to the committee for the work it has done, particularly on the aspects I have referred to relating to more lawyers having access to India and more food from this country going to India, but also ensuring that all Indian food and produce which comes into this country, of whatever kind, meets the highest standards that we exact here. I hope my noble friend will respond to the concerns raised by me, the NFU and the Scottish and Welsh Governments in this regard.

5.47 pm

Lord Hussain (LD): My Lords, I thank the noble Baroness, Lady Hayter, for securing this debate. I am grateful to be allowed to speak in the gap on the subject of a free trade deal with India.

I am just as eager to see our trade links with other countries, including India, improved as other members of this House are, but I have always believed that our trade must be linked with human rights. Looking at India's record on human rights through the eyes of renowned international human rights organisations such as Amnesty International, Human Rights Watch and Genocide Watch, India is seen to be one of the worst human rights offenders in the world.

According to a 2022 Amnesty International report, the Indian Government have drastically intensified the repression of rights in Jammu and Kashmir in the three years since the change in the status of the region. The report notes how civil society at large, and journalists, lawyers and human rights defenders in particular, have faced relentless interrogations, arbitrary travel bans, revolving indoor detentions and repressive media policies, while access to appeals or justice via the courts and human rights bodies has been blocked. Amnesty International has also said that

"civil society and media in Jammu and Kashmir have been subjected to a vicious crackdown by the Indian government, which is determined to stifle dissent using draconian laws, policies and unlawful practices in their arsenal… By harassing and intimidating critical voices, authorities are targeting all credible, independent sources of information in and about Jammu and Kashmir."

According to a 2022 Human Rights Watch report,

"Indian authorities intensified their crackdown on activists, journalists, and other critics of the government using politically motivated prosecutions in 2021 … The clampdown on dissent was facilitated by the draconian counterterrorism law, tax raids, foreign funding regulations, and charges of financial irregularities. Attacks against religious minorities were carried out with impunity under the Bharatiya Janata Party (BJP)-led Hindu nationalist government. BJP supporters engaged in mob attacks or threatened violence, while several states adopted laws and policies to target minority communities, particularly Christians, Muslims, Dalits, and Adivasis."

According to Genocide Watch's 2022 report, an expert, who is said to have predicted the massacre of the Tutsis in Rwanda years before it took place in 1994, warns that a genocide of Muslims in India could be about to take place. Gregory Stanton, the founder and director of Genocide Watch, said during a US congressional briefing that there are early signs of processes of genocide in the Indian state of Assam and in Indian-administered Jammu and Kashmir. We are warning that genocide could very well be happening in India.

In the light of these independent reports, how can the Minister reassure this Committee that the UK's trade deal with India would meet our foreign policy and international principles and standards? If India continues with its human rights abuses and chooses to ignore these principles and standards, what would our Government be prepared to do?

5.51 pm

Lord Purvis of Tweed (LD): I thank my noble friend for his contribution in the gap. He gives a very good example of why the agreement that we are likely to

[Lord Purvis of Tweed]
have with India will require strong human rights clauses. This House twice resolved that there should be a trade and human rights policy and passed amendments for it to be included in the Trade Bill, but they were turned away by the Conservative majority in the Commons. This agreement will be a litmus test when it comes to human rights and labour standards. My noble friend is not alone in raising that issue in this debate.

This debate has been characteristically sensible and serious. I say to the noble Lord, Lord Kerr, that I have adjusted to the fact that contributions in Grand Committee do not always have the world's eyes upon them and certainly cannot secure 10 million viewers like the noble Baroness, Lady Bennett. However, sometimes we make the news. After the noble Lord's comments, I looked at Lords Grand Committee on Google News and two bits of news came up, other than the Parliament's constant press releases promoting what we are doing:

"Chinese Embassy in the UK condemns wrong remarks on Taiwan by members of House of Lords"

and

"Peer voices concerns as Cumbria council restructure is approved".

So we make the news in global ways from China to Cumbria.

I am very confident that this agreement will be a success according to the Government because we have not yet had an agreement under this Government that has not been gold-standard, world-leading, a Brexit bonanza or the most advanced ever signed—those are all quotes from government press releases about agreements. Therefore, I have great confidence that this will be amazing deal, in the Government's press release anyway. As the noble Lord, Lord Kerr, indicated, with the former Prime Minister leaving, I wondered whether the boosterism would be toned down. I got a sign that that might not necessarily be the case because on 31 August the *FT* reported that

"Anne-Marie Trevelyan, secretary of state for international trade, told the Financial Times in an interview during a trip to Australia that the deals would help curb inflation in Britain".

Given that this is likely to yield 0.00% to 0.08% over 15 years, I wonder exactly how that not-yet-ratified agreement is curbing inflation. I look forward to the Minister giving in his summing up an illustration of what the impact of the Australia agreement on UK inflation has been so far.

This debate has highlighted to me very clearly that negotiating objectives should be put to the Commons and debated there on a Motion for approval to allow there to be proper scrutiny of the important issues so clearly raised and illustrated by the committee's excellent report. I commend the noble Baroness, Lady Hayter, and all members of the committee for this yet again gold-standard report.

This draws out the fact that either, as the noble Lord, Lord Udny-Lister, said, we are going to be in "extremely challenging" negotiations, or, as the noble Lord, Lord Lansley, indicated, it is pretty much a done deal already and we are now debating it. I do not know what the current situation is. To be fair to the noble Lord, Lord Grimstone, he was assiduous in keeping the Opposition Front Benches and committees informed of progress in rounds of negotiations, but the Government have been rather quiet on this, so I do not know what position they are in. I do not know what kind of chapters have been closed or not; I do not know whether our debate on this is utterly pointless or whether the Government can feed back from this House to the negotiators that there are emerging areas of concern. I simply do not know, so I hope the Minister can state where we are.

It also highlights, as we have asked today, the question of the trade rationale for Diwali. Obviously, there was a political rationale, which I understand, but I do not know what the strategic trade rationale was, especially in the context, in the intervening period, of the aggression and war in Ukraine and our strategic relationships with India. These are material circumstances which would of course have an impact when we discuss opening up significant UK markets which we have closed to Russia and which India now has policy positions to actively circumvent.

We know that some of these areas are significant, as the noble Lord, Lord Kerr, indicated. We know that India is not currently supporting the G7 consensus on an energy cap; we know that there is increased purchasing of oil; we know that, as the noble Lord indicated, there are Russian military war games and exercises which India is participating in at the moment. When I raised concerns to the noble Lord, Lord Ahmad, a couple of months ago that there would be a rupee/rouble swap, I was told that I was being premature. We now have that rupee/rouble swap mechanism to purchase increased levels of oil, which is a direct strategic difference from the UK.

These are material strategic interests of the UK. There is of course an argument that free trade should be completely separate from other areas of foreign policy, but when you intend a deep and comprehensive agreement, you cannot separate them. I would be interested to know from the Government whether, during the discussions on access to financial services and other areas, we have raised the foreign policy objectives of the UK.

We also do not start from a year-zero approach—or a 2016 year-zero equivalent—because we know, as the noble Lord, Lord Frost, indicated, that there were previous discussions on whether there would be an EU free trade agreement. Expanding what had been a trade and investment agreement had been problematic, because of Indian barriers on FDI and a lack of consensus on greenhouse gas emissions, nuclear energy, farming subsidy and policy, regulation of the financial sector and technology transfer. If the UK is now to have a full FTA covering all those areas which had been problematic previously, we need to understand how we believe these areas will be overcome.

I also recall that, for India, 20% of the trade with the EU 28 was with the UK. I have a perhaps incorrect recollection—I am sure the noble Lord, Lord Frost, will correct me in due course—that during the negotiations it was the UK which was not in favour of mode 4 reforms on visas. I recall that it was the UK that did not want any liberalisation on movement of people at that time. It was not the case, as he sought to give the impression, that as a minor shareholder in the EU 28 we wanted an agreement but were overruled because

of other interests from other European countries. It is patently not true, because we effectively vetoed the process because of the desire from India for visa liberalisation.

It also does not explain to me that if we were in such a poor position with our clout, why, as the Government indicate, we are 17th as a trading partner and why Belgium is ahead of us. Why is Germany sixth? Why is Belgium able to be two places higher than us as a trading partner and not feel utterly constrained by being part of the single market, whereas we are now suddenly able to make the benefit from when we were in the single market?

There are other valuable areas that the committee highlighted across different areas of public policy that will need to be addressed. This is not just about agriculture or rural areas, but I am glad that the noble Baroness, Lady McIntosh of Pickering, and the noble Viscount raised pesticides. During the Trade Bill and subsequently, this has been an area where we have time and again raised concerns about not only the standards that our trading partners will be operating to but their practices. The Australia trade agreement effectively gave the game away: it allowed for products to come into the UK that have had pesticides banned here used on them. That, in effect, is a precedent, so we will need to look very carefully at whether the concerns of colleagues in this Grand Committee are realised, because I also fear that situation.

Obviously, we want a situation where we open up on services. However, without robust data agreements and robust legal frameworks to govern this, it is difficult to see how we will be able to have significant growth of this economic activity. In many respects, India has had ample opportunity to reform its legislation so that it is opened up for UK and EU data transfers, but it has chosen not to do so. Of course, we cannot determine or dictate to a trading partner its legislative framework, but in a trade agreement we can make sure that we do not offer concessions without there being a robust framework around them. That will be exactly the same on legal services or other areas of the service sector.

That is why, on agriculture and other areas, I very strongly but with respect disagree with the noble Lord, Lord Frost, when he spoke about the interaction with the devolved Administrations. One of the downsides of having this constrained period of negotiations for Diwali was the concern that has been raised, yet again, about what kind of consultation there will be. He is absolutely right that trade negotiations are reserved competences, but he is absolutely wrong to say that they are not the interest of the devolved Administrations and that he therefore does not see the need for them to be involved. Some of the founding documents of our constitutional arrangements since 1999 have been the concordats—he was a Minister, so I am sure he is aware of them—which state categorically that where there are policy areas that are reserved competences which have an impact on areas of devolved competence, there should be consultation and openness in that policy formation. This is a fundamental part of our devolved relationship. As the report clearly highlights, the fair position is that an agreement with India will have an impact on the devolved competences.

When it comes to areas of protection, I thought the noble Lord might have raised whisky, which I would probably strongly agree with him on; I know his experience with that. But, as has been mentioned before, we have not been able to protect geographical indications in the Australia agreement, so I wonder how we will do it in the Indian agreement. Indeed, we had the nonsense in the Australia agreement that the only way that UK GIs will be protected is if Australia signs an FTA with the EU in order for the EU to protect our GIs. I am not certain that that was the control we sought to bring back.

The final element, on which I want to close, is one of the most fundamental of those from the Government's documentation. I commend the Department for International Trade's officials on some of their documentation and understand the vagueness and opaque nature within it but, as is my wont, I often look at the technical papers. Page 36 in annexe 9 gives a table that fundamentally demolishes the Government's case for this agreement and the benefits of it. That helpful table—I will come to this in a moment but it did not have a tabulated element to it—shows what the trade diversion of other countries would be under the assumptions of this agreement. The Government say that we are likely to have £5 billion of extra UK trade over the next 13 years and that there will be a £5.2 billion increase in imports from India for consumers, who the noble Lord, Lord Hannan, said should be paramount. That, from the summary page, is all well and good.

The Government did not then take into consideration the net impact from the trade diversion and the reduction in imports and trade with other countries. In annexe 9 of the technical paper, they listed what the experience of preference erosion and trade diversion would be—the negative impact. It is £3,262.1 billion. You have to discount every part of the benefit and take from it the loss of import trade of that £3.25 billion. This is not from insignificant countries. This is important because they are developing countries; they are exactly the countries, mostly in the Indo-Pacific, with which we want to increase our strategic relationships.

I will close on this. The countries that will have a negative impact are Botswana, Sri Lanka, Bangladesh, Pakistan, Kenya, Senegal, Ghana, Indonesia, the Philippines and Jamaica. The impact on Bangladesh is £1.5 billion less trade. The Government need to be much clearer on how they discuss net benefit because this agreement not only will have potential concerns for our public policy but is likely to cause a direct negative impact on a swathe of other countries. We need to debate this with our eyes very widely open.

6.08 pm

Lord McNicol of West Kilbride (Lab): My Lords, it is always a pleasure to follow the noble Lord, Lord Purvis of Tweed. I join others in paying my gratitude and appreciation to my noble friend Lady Hayter of Kentish Town and her committee for producing another balanced and insightful report, which forms the basis of our debate here.

The importance of the free trade agreement with Australia was rightly acknowledged, as it marked our first outing into the post-Brexit world, but negotiations

[Lord McNicol of West Kilbride]
with India will represent opportunities and challenges of a different order of magnitude. Last month, India celebrated 75 years of independence from Britain, which made last week's announcement that it has overtaken the UK as the world's fifth-largest economy particularly pertinent. The world's largest democracy is set to become the third-largest economy by 2031, yet it already has the third-highest greenhouse gas emissions across the planet.

Given this context of importance, it is essential that Parliament is involved, consulted and engaged at all stages, ensuring that we set checks and a balanced framework for future FTAs. As we have heard in this debate, that has not happened. It is difficult to isolate these negotiations, as we heard, from the backdrop of the geopolitical events that shadow them. The Government have prided themselves on their role in leading talks to tackle climate change and global leadership in supporting Ukraine since the Russian invasion. These negotiations must not undermine this reputation; they should be seen as a unique opportunity to influence and enhance our global engagement.

Reading the vague and minimalistic nature of the Government's negotiating objectives regarding the environment and climate is disappointing in the least. Estimates that an FTA with India would increase greenhouse gas emissions are not surprising; still, it is of concern that there is no mention of mitigating measures and that current projections do not account for transport emissions and carbon leakage. This latter issue is of huge significance as the offshoring of agricultural production to more carbon-intensive countries will devalue ambitions to limit domestic greenhouse gas emissions. Will the Minister therefore ensure that emission projections are recalculated so that they account for carbon leakage and transport emissions, because only then will we see the true figures?

Since the Russian invasion of Ukraine, as we have heard from many speakers, India has failed to support the British-led sanctions. It has seen its trade with Russia increase, abstained on a UN motion condemning the invasion and, last month, participated in a joint military exercise with Russia and China. Given this, can the Minister explain why Ukraine and the situation there is not mentioned at all—not once—in the negotiating objectives?

In a world of rising authoritarianism, disregard for the rule of law and persecution of vulnerable minorities, there are questions over the direction of the current Government in Delhi. Recent reports have suggested a rise in human rights abuses and breaches of academic freedom. In 2021, the International Trade Union Confederation rated India on the second-lowest rank on its global rights index. As stated by Frances O'Grady, the general secretary of the TUC:

> "Suppressing trade unions, forced labour, child labour and other workers' rights abuses are all widespread in India … A UK-India trade deal could encourage companies to outsource more jobs from the UK to India, leading a race to the bottom."

She continued:

> "The UK government should be using its leverage on the global stage to promote decent work"

and decent working conditions.

It is conceivable that climate change, India's relationship with Russia and these alleged human rights abuses could form a significant part of the negotiations but, despite persistent calls across the Committee here today and from many organisations feeding into the consultations, the Government have yet to produce an overarching trade policy, making it difficult to determine the importance attached to each of these issues in the negotiations. Consequently, can I first reinforce calls for the Government to produce an overarching trade policy? Secondly, I ask the Minister to clarify whether he believes that any of these three issues—India's commitment to reducing greenhouse gases, its stance on Russia's invasion of Ukraine and reports around human rights—will be given any priority in future negotiations.

Predictions that an FTA with India could lead to a 0.22% increase in GDP may not meet some of those post-Brexit expectations. A sector with particular potential to benefit is Scottish whisky. Despite the 150% tariff currently applied to imports, India is the second-largest export market for Scottish whisky. Despite this, Scottish whisky constitutes only a 2% share of the Indian whisky market. The Scotch Whisky Association has warned that, as we have heard, many non-tariff barriers to trade, at both national and state level, need to be resolved so that business can flourish.

As yet, the risks to British farmers of a UK-India free trade agreement have not received the media coverage of the equivalent Australia and New Zealand agreements. The lack of regulation and the enigmatic nature of India's agriculture mean these threats are less transparent, but they are just as real. Without the tightening of Indian law and regulation, British farmers could likely face unfair competition brought about by significantly lower standards and state subsidies. For example, we have heard that carrots grown in India are allowed to contain 500 times the amount of the fungicide captan, which is a known human carcinogen, than is allowed in the UK. Clearly, this raises future questions on the erosion of standards and consumer protections.

Another concern is state subsidies. In December 2021, the WTO ruled that India violated international trade rules concerning unfair subsidies provided to sugar exporters. This was highlighted by the NFU president, Minette Batters, who has reiterated the need to promote fair and equitable trading in the event of a future deal. These comments came after her previous comments on the Australia deal, on which she said:

> "In particular, it is disappointing that the UK government has capitulated to Australian demands to time-limit any safeguards for sensitive sectors."

Current government estimates already concede that a trade deal would see a decline in domestic agricultural output of up to £10 million. Given this, can the Minister say what will be done to help British farmers and the communities they support and what safeguarding measures will be implemented if disputes over subsidies and standards arise?

I think we can all agree on the importance of and the challenges posed by these negotiations. As was dealt with perfectly by the noble Lords, Lord Purvis of Tweed and Lord Kerr, it should follow that engagement with Parliament, the devolved Administrations and other relevant bodies should be extensive. Unfortunately,

this is not apparent. The devolved Administrations have raised concerns relating to the Government's lack of consultation and reluctance to share information.

Government transparency on the content of the negotiations also remains an issue. The update produced following the fifth and latest round of the UK-India negotiations contained a meagre 114 words that were vague and generic. I went back to look at the first, second, third and fourth joint outcome statements—I do not know if other noble Lords have done so—and they are virtually the same. It has been virtually the same statement for the last four sets. The first joint outcome statement is the only one that has a little more detail about some of the areas that were discussed and negotiated. I would like to know why the content of the first one, which had a little more detail, was not continued in future statements. It is still not enough, but at least it would be a step.

Perhaps most alarming is the self-imposed deadline of 24 October that looms over these talks. As discussions began in January, only a little over nine months have been set aside to conclude an agreement. By comparison, the recently signed interim trade deal between India and Australia lasted for nine rounds of negotiation between 2011 and 2015, followed by a further six months of detailed negotiations through 2021 and 2022.

As set out by the International Agreements Committee, India has been a notoriously difficult negotiator and has a history of protectionism and paper-thin deals, not to mention relatively low tariffs for its exports compared to ours. This considered, such a short negotiating window alludes to significant concessions being made, the agreement being limited to an interim agreement or a combination of both. As pointed out by the IAC report, this will likely make a more comprehensive deal much more challenging to achieve in the long term. Anxieties over the disproportionate amount of time allocated to talks are shared by trade unions, the devolved Administrations, businesses and industry leaders who have urged the Government to

"hold out for a commercially meaningful and comprehensive deal, even if doing so means that the self-imposed deadline of Diwali is not met."

As my noble friend Lady Hayter said in opening, we share the Government's ambition for trade deals. Given the broad consensus acknowledging the significance of these negotiations, we urge the Government to take a pragmatic approach and not to have any short-term deadlines, ensuring that the UK's long-term position is not jeopardised.

6.21 pm

Viscount Younger of Leckie (Con): My Lords, whether I am temporary, permanent or in no role at all, I am very pleased to respond to this debate this afternoon. I thank the noble Baroness, Lady Hayter, for tabling today's Motion and congratulate her and the International Agreements Committee on their report on the free trade agreement we are negotiating with India. As ever, it is a comprehensive report and the Department for International Trade is thoroughly considering its recommendations.

We have heard many insightful and helpful speeches today from Peers with much experience in this sector, including trade itself. As the Committee will know, we are currently in live negotiations. I will endeavour to respond to as many points from noble Lords as I can, but there is a lot to cover. I reassure the noble Lord, Lord Purvis—I was going to raise this before he did—that I will ensure that our negotiators are made fully aware of all the points raised today, although I doubt that I will be able to cover everything. My noble friend Lord Caithness stated that this debate cannot possibly cover all the points of the deal in depth. He is right, but it is part of a multifaceted process; I argue that this debate is a big deal but not perhaps such a big deal in terms of the whole process, which I will speak about later.

I am the first to say that this negotiation is a considerable challenge. India's economy is vastly different from those of countries with which we have previously agreed free trade agreements. I recognise that it has historically taken a protectionist stance towards trade and agreed so-called thin free trade agreements with several countries. I note the realism in this respect expressed by the noble Viscount, Lord Waverley. However, I am also realistic. Every negotiation is different, and our ties with India are already strong. In this case, from the very top down, both countries have made it clear that we want to reach a thick deal—a comprehensive free trade agreement. Negotiations are gathering momentum as we work towards our shared target to conclude the majority of talks by the end of October. I know there are a number of questions on this, and I will come back to the timings and deadlines later in my remarks.

I believe that the prize that awaits us is great. My noble friend Lord Frost reminds us that we start from the position of being outside the EU and negotiating under our own steam. In 2021, India was the world's sixth-largest economy. By the middle of the century, it is on course to become the third largest, so a free trade agreement will take the UK to the heart of the economic powerhouse of tomorrow. My noble friend Lord Hannan gave us a brief history lesson on trade with India, emphasising the need to address the tariff barriers, and of course he is right.

Last year, UK businesses exported more than £8 billion-worth of goods and services to India. As its middle class grows towards a quarter of a billion people, demand for the best of British is surely set to soar. That is why, through our negotiations, anything that we can do to make trading with India easier could be game-changing for UK businesses. To reassure the noble Baroness, Lady Hayter, it is to benefit UK businesses, not just businesses or consumers in India—an important point.

Today, some of our most iconic exports, such as Scotch whisky and Midlands cars, face import duties of up to 150%, which was raised in the debate, and our businesses are held back by restrictive rules and regulations. We are therefore looking to remove or reduce a range of tariffs and cut through as much red tape as we possibly can. This will make UK exports more price competitive in the Indian market, potentially giving our businesses a first-mover advantage over their global competitors.

The noble Earl, Lord Sandwich, asked about our objectives, and my noble friend Lord Lansley asked what would constitute success in negotiating an FTA. Those are both fair points and, although I cannot

[Viscount Younger of Leckie]
wholly answer them precisely, I will start by saying that the Department for International Trade's modelling suggests that, by 2035, a comprehensive FTA could boost UK GDP by more than £3 billion. Of course, the exact benefits will depend on the final deal we achieve, but we remain confident of securing a deal that compares favourably to anything India has previously agreed. In any case, the Department for International Trade will carry out an impact assessment to build on the scoping assessment that has already taken place.

Several noble Lords, including the noble Baroness, Lady Hayter, my noble friend Lord Lansley and the noble Lord, Lord McNicol, asked about priority areas. They will know that the Government do not publish detailed policy positions, as that would disadvantage the UK in the negotiations. However, I can reiterate that our extensive stakeholder work, in both our consultation to set our mandate as well as our continued engagement with business in talks, is important.

A free trade agreement will be immensely valuable to the UK and to India, but I emphasise that it is just the next chapter in our long-standing trading relationship. Just as my ancestors exported beer brewed in Alloa in Scotland to India in the 19th century, today, thousands of British businesses exchange goods, services and ideas with India. Last year, our trading relationship was worth over £24 billion and, separate from this FTA, the UK and India share a road map to double our trade by 2030.

However, our relationship with India is defined by more than just numbers. As Prime Minister Modi has so often reminded us, a living bridge connects our nations—the world's largest and the world's oldest democracy. More than one and a half million people of Indian origin live in the UK. They make a profound contribution to our society, culture and economy. This living bridge has been built by partnerships—my noble friend Lord Lansley emphasised that point. One of the vaccines that protected billions of people around the world from Covid-19 was developed through a partnership between Britain's AstraZeneca and India's Serum Institute. Jaguar Land Rover is Indian-owned but British-made and employs almost 30,000 people in the UK. There are so many more examples of this collaboration across our economies. It delivers jobs and prosperity and enriches our society, and through a free trade agreement we can make it cheaper, easier and quicker for goods and services to cross this living bridge and drive growth.

I will touch on services and mobility, which was raised, not least by the noble Lord, Lord Purvis. As the Committee rightly recognised, services are also vital to our trading relationship. Prior to the coronavirus crisis, between 2009 and 2019, UK services exports to India doubled. Through our negotiations, we are also looking to open doors in sectors where our businesses are currently hindered from operating in India, such as professional, business and financial services. Along with our efforts to liberalise trade in goods, this means that, by 2035, a comprehensive deal could increase UK exports of services by billions of pounds, generating higher wages, supporting thousands of jobs and growing the economy.

The committee's report rightly outlines that improving mobility for businesspeople will be key to delivering these benefits, again points that were raised this afternoon. That is why I want to assure the Committee and the noble Earl, Lord Sandwich, who raised this, that we are exploring mobility provisions that benefit UK businesses and consumers, but will not agree anything which undermines the UK's points-based immigration system or our ability to control immigration.

Moving on to investment, the committee also raised the importance for UK businesses of opening India's markets to investment. As outlined in our published objectives, we want to make sure that investment is protected and that investors are treated fairly. The UK and India have a common interest in seeing our investment relationship grow and providing businesses with confidence.

Let me say a little more about this because it was raised by the noble Baronesses, Lady Bennett and Lady Hayter, and my noble friends Lord Lansley and Lord Caithness. The Committee will know that India terminated our existing bilateral agreement for investment in 2017, so we want to agree new investment commitments that will form the backbone of the UK-India relationship for years to come but, in line with our public objective, we aim to make it easier for UK firms to invest in India by providing them with legal certainty and the confidence to operate in Indian markets. We will seek to provide sufficient protections to UK investors and guarantee that they receive fair and non-discriminatory treatment, ensuring their access to adequate remedies if those obligations are breached. The inclusion of ISDS is considered where it is in the UK's interest and where we agree with partners that it can play a useful role in supporting the bilateral investment relationship.

I shall now address points raised by several noble Lords about deadlines, timescales and progress. I have fully taken note of all the comments made. The UK and India are different economies and there is no one-size-fits-all approach to negotiating trade agreements. When negotiations launched in January, both sides came to the table with high ambition and strong political backing—perhaps no surprise there. As far back as April 2020, Prime Ministers Modi and Johnson wholeheartedly committed to negotiating a comprehensive free trade agreement. Our negotiating objectives were based on input from hundreds of stakeholders, and we are pushing firmly and consistently to achieve results that matter to UK businesses and consumers. But for any negotiation to succeed, the outcome needs to work for both parties and, through the five completed rounds of negotiations, we have worked with our Indian friends to make progress towards a realistic agreement that benefits us both, including on a number of new and innovative chapters.

The target set by Prime Ministers Modi and Johnson to conclude the majority of talks by the end of October is a clear demonstration of continued political will to reach an agreement. It has focused minds and driven progress. With his great experience in this area, my noble friend Lord Frost, backed by my noble friend Lord Hannan, made the important point that having deadlines is helpful and important in such a process. Both nations are working hard to keep up this pace and beginning to see a potential deal that will benefit

our trade relationship but, as we have made clear since the start of talks—I say this to reassure the noble Baroness, Lady Hayter, and other noble Lords—the Government will not sacrifice quality for speed. We will sign only deals that are in the UK's best interest, whether they are with India or any other partner, so if it takes longer, it takes longer.

The noble Lord, Lord Kerr of Kinlochard, raised concerns about communications and keeping shareholders informed, so I shall move on to the related point about scrutiny and engagement. The report highlights the importance of engagement throughout the process, and I wholeheartedly agree with that objective. From the outset, this Government have engaged with UK businesses and consumers on this deal. Talks commenced only following an extensive consultation with stakeholders, as mentioned earlier, which directly shaped our objectives. We continue to connect regularly with hundreds of businesses, business representative organisations and civil society groups through our strategic advisory and trade advisory groups.

As with all our trade policy, Parliament has significant opportunities to scrutinise our deal with India. The noble Baroness, Lady Hayter, is right that it is the content of the deal that counts. I wholeheartedly agree with her on that. Ministers engage with the International Agreements Committee and the International Trade Committee throughout the life of a free trade agreement. Indeed, our chief negotiator has offered private briefings prior to signature, whenever that might be, at the committee's leisure, which I hope this committee and the International Trade Committee will take up.

After signature, an economic impact assessment and full treaty text will be publicly available. The Trade and Agriculture Commission will then produce a report on the agreement and the scrutiny process under CRaG, which the Committee will be familiar with, will be carried out prior to ratification. In addition, any primary or secondary legislation will need to progress through Parliament in the usual way. This will take place in parallel to India's ratification process.

Let me add a little more on the question asked by my noble friend Lord Lansley. He made the point that the Indian Secretary of Commerce made some comments on the timings in the chapters closed. I reiterate our public commitment to our shared target to conclude the majority of talks by the end of October this year. We have made good progress but we still have to work through some challenging and important areas to achieve a comprehensive FTA that respects both sides. However, I remain clear that we will sign a deal only when it is in the UK's best interests. Given all the points raised, I hope that I have been clear about this matter this afternoon.

Moving on to standards and so-called red lines, which were raised by a number of noble Lords—my noble friend Lady McIntosh in particular—I am aware of concerns that the UK's world-leading standards could be diminished by any new trade deal. To be clear, as in any FTA, the Government are committed to upholding high environmental, product and labour standards. We will not agree to provisions that will undermine or reduce the safety standards of products imported into the UK, including pesticides. In fact, we have already provisionally closed a stand-alone chapter on sanitary and phytosanitary standards. This will ensure that traded food is safe to consume and that animal and plant products are free from pests and disease. The noble Baroness, Lady Bennett, raised this point.

To add a little more to what I have said, our provisionally agreed chapter on sanitary and phytosanitary standards builds on our long-standing relationship and ensures that both parties can continue to protect their biosecurity, including through enhanced structures and streamlined processes. This includes provisions on antimicrobial resistance. Nothing in the provisionally closed SPS chapter changes our high food standards or strict requirements on imports from India. I say again that the UK is committed to maintaining our current high standards and will not agree to provisions that undermine the safety standards of products imported into the UK.

In addition, the Government share the public's respect for worker protections and gender-based rights. We have already provisionally agreed a stand-alone trade and gender equality chapter with India—this was raised by noble Lords; I will say a bit more about it later—as well as a chapter on trade and development co-operation. However, we recognise that not all challenges can be solved by trade deals alone, which is why we are working across government on engaging our Indian friends to make progress across these areas. As always, the UK will continue to ensure that public services, including the NHS, are protected in all trade agreements.

Moving on, I understand that there are continuing concerns—they are usually raised in these debates—about dispute mechanisms, notably raised by the noble Baroness, Lady Hayter. These mechanisms play an important part in increasing businesses' and stakeholders' confidence that our international partners will uphold their obligations in such areas in FTAs. What is more, they are important deterrents; if an effective mechanism for enforcing commitments under FTAs is in place, it is more likely that our international partners will uphold their commitments.

I will say a few words about corruption, which, again, was a theme raised by the noble Baroness, Lady Hayter, and my noble friend Lord Udny-Lister. I understand that there are important concerns on this subject regarding this particular deal. Throughout our negotiations with India, the UK has made a strong case for a comprehensive anti-corruption chapter. I am pleased to say that our efforts have been successful and we have provisionally agreed one. It will be India's first stand-alone anti-corruption chapter in a bilateral FTA and the provisional agreement goes further than the precedent set in previous FTAs. This speaks to India's interests and intent. Although the chapter will not change India's domestic legislation, it affirms its international commitments.

More broadly, all British businesses operating in India are bound by the UK's Bribery Act and no FTA will change this. This matter was raised by my noble friend Lord Balfe in his comments on facilitation payments, and we know what is meant by that. Both nations are keen to combat the trade-distorting impact of bribery and corruption, as well as to provide important reassurance to British businesses.

[Viscount Younger of Leckie]

I think I have time to cover a number of other questions that were raised. A number of Peers raised the important matter of Ukraine, and I absolutely take note of their comments and reiterate that the UK is working with international partners, including India, to co-ordinate the international response to Russia's unlawful—and outrageous, I would say—invasion of Ukraine. Prime Minister Johnson visited India in April, where he discussed this issue directly with Prime Minister Modi and released a joint statement unequivocally condemning civilian deaths and calling for a peaceful resolution to the conflict. I should note that, historically, trade deals have not been a way to secure broad diplomatic agreements. However, I add that, as always, any decisions to agree to a trade deal will be taken at the appropriate time when talks conclude.

Innovation was raised, not least by my noble friends Lord Lansley and Lord Udny- Lister. I will say a few words on that important point as part of this FTA negotiation. The provisional agreement on innovation goes beyond the precedent set in India's previous FTA negotiations. The UK and India, as I said earlier, share a highly productive relationship, collaborating on research and development for innovation. This will play an essential role not only for economic growth but in tackling global challenges, levelling up, building back better from the pandemic and climate change, which I hope I will have time to cover as well.

The important matter of labour rights and trade and gender equality was raised by my noble friend Lord Udny-Lister, with a focus on women. Let me say a little about that important point. The UK and India have provisionally agreed a chapter on trade and gender equality, which is the first of its kind for India and will enhance opportunities for women to access the full benefits of trade between the UK and India. This reflects our shared commitment to advancing gender equality and women's economic empowerment, recognising that women often face disproportionate barriers across the economy and in trade. There is more work to be done on this, but I reassure noble Lords that it is very much a priority as part of this negotiation.

On labour rights, raised by the noble and right reverend Lord, Lord Harries, the noble Lord, Lord McNicol, and my noble friend Lord Balfe, both parties reaffirm their respective commitment to international labour standards while providing assurances that they will not fail to enforce domestic labour protections in order to gain a trade advantage—an important point to make. Also, any agreement must protect our regulatory sovereignty; a non-regression clause would constrain this. The provisions we seek on labour protections provide assurances for workers and businesses without undermining our security.

The noble Earl, Lord Sandwich, spoke about the important matter of intellectual property in respect of medications, or perhaps medicines. It could be both; generic versus brand, if I can put it that way. Briefly, it is an important point about a huge sector, particularly the pharmaceutical sector, for us in the UK. Our approach considers industry, which relies on the period of exclusivity provided by patent protection, while ensuring that the system facilitates the entry of generic medicines on patent expiry. While we cannot speak to specifics in the negotiation room, as I alluded to earlier, the UK remains committed to the Doha declaration on the TRIPS agreement and public health.

On the important subject of climate change, particularly in relation to this agreement, I will make some brief comments. We have been consistently clear that we will uphold our high environmental protections in our FTA, and this applies to this particular deal. We are seeking a range of provisions that support the Government's ambition on climate change. I think I will write a letter to give more on this, but in terms of the point on decarbonisation raised by the noble Lord, Lord McNicol—I am sure that the noble Baroness, Lady Bennett, will have raised it—it also includes facilitating trade in low-carbon goods and services and strengthening co-operation to achieve environment and climate change objectives, including decarbonisation.

The noble Lord, Lord McNicol, raised a very important point about the DAs. I will cover them in my letter, but I reassure him that, whatever he may have heard, the opposite is true. The relationship with the DAs is very good. We are in constant contact with them. I would like to speak to him, perhaps outside the Room, as to where he got his information from, but I think a letter is in order to reassure him.

I will conclude, as there are other things going on which I think we are aware of. I thank the noble Baroness, Lady Hayter. As always, the International Agreements Committee's report has provided the Government with welcome insight. We really are listening and plan to respond in detail later this month. I reiterate my thanks to the committee.

We appreciate that the final stages of the negotiations will be challenging, but I say again that we are making progress. As India's middle class continues to grow towards a quarter of a billion people, its spending power will increase and increase. A free trade agreement will put British businesses at the front of the queue to satisfy this demand for decades to come. This is the prize. We must grasp it and be sure that we do not lower standards at the same time.

6.46 pm

Baroness Hayter of Kentish Town (Lab): I thank all those who have spoken in the debate. I thank them for their tributes to the work done, needless to say, not by myself but by our staff and my fellow committee members, some of whom we have heard from today: the noble Earl, Lord Sandwich, and the noble Lords, Lord Kerr, Lord Lansley and Lord Udny-Lister. I thank the anorak, the noble Lord, Lord Purvis, who managed to find supplementary bits, particularly about trade diversion, which is really important.

I thank the Minister for his response. We will take up the issue of a policy with whoever will be the new Secretary of State, and I thank all the speakers who have supported that today. It is really important, particularly hearing from the noble Lord, Lord Frost, and others. There has been support for not just that wider policy but the role of Parliament in it.

I was slightly worried by the noble Lords, Lord Frost and Lord Hannan, being worried about opening doors to domestic lobbies. I thought democracy was all

about hearing from consumers, business and the DAs, so I was slightly surprised, but I think the tone was very supportive of that.

The Committee will be pleased to know that I am not going to go through the issues that were covered. They were wide-ranging and all were serious, whether it was legal and professional services, GIs, human rights, as raised by the noble and right reverend Lord, Lord Harries, and the noble Lords, Lord Hussain and Lord Balfe, labour rights and gender, as raised by the noble Lord, Lord Udny-Lister, the noble Baroness, Lady Bennett, my noble friend Lord McNicol and others, or the environment—an interesting point raised by the noble Earl, Lord Caithness, and the noble Baroness, Lady McIntosh, was that there could be opportunities for helping India move on this, as well as the challenges that we must ensure we do something about.

There were a variety of views on ISDS, which is something we need to discuss with the Government. I think there is clarity, even from the noble Earl, Lord Caithness, who has issues with it, that some independent arbitration is necessary to give people confidence, but without it being potentially used by those who have a different agenda from what it was meant to be for. I hope the Government will come up with something that we can all support.

I shall say two things to close. First, on Ukraine, this seems absolutely pertinent to the view that we are all pointing to. I think it was the noble Lord, Lord Kerr—he always gets the best phrases—who said that you cannot red-line trade; it is part of our global world relations and at the moment Ukraine is central to that. The noble Lord, Lord Balfe, may not quite have agreed, but I think the rest of us felt that it was the exemplar, if you like, of how we must see trade as both a tool and a part of our wider relations.

Secondly, my noble friend Lord McNicol reminded us that, just as India celebrated 75 years of independence, it overtook the UK as the world's fifth-largest economy. The noble Lord, Lord Udny-Lister, and the noble Earl, Lord Sandwich, said that it will move towards being the third-largest within 20 years. This is clearly a market that is not just of potential interest to us but important in its own right. It is a major economy, but it is not perfect, as noble Lords have said. The challenge is to make sure we have a deal that is good for business, good for consumers, good for workers and good for UK plc, but also good for India and the global economy. I hope we can work with the Government to move towards that.

Motion agreed.

Committee adjourned at 6.50 pm.