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House of Lords

Tuesday, 6 April 2010.

2.30 pm

Prayers—read by the Lord Bishop of Gloucester.

Former Ministers: Earnings
Question

2.36 pm

Asked By ***Baroness Seccombe***

To ask Her Majesty's Government whether they propose a cap on the earnings of former Ministers from work related to their service in office.

The Chancellor of the Duchy of Lancaster (Baroness Royall of Blaisdon): My Lords, there are no plans to propose such a cap on the earnings of former Ministers. Clear rules are already set out in the *Ministerial Code* for those who wish to take up other employment or appointments on leaving ministerial office. For two years after leaving office, Ministers must seek the advice of the independent Advisory Committee on Business Appointments and must abide by that advice.

Baroness Seccombe: My Lords, I thank the noble Baroness. Will she join me in condemning the degrading spectacle of recently retired Ministers lobbying in the way that they did? When might we see any controls, and what would those controls be, on retired Ministers cashing in on public service?

Baroness Royall of Blaisdon: My Lords, we are in difficult areas here. I condemn scams when they are set in action by the media but, yes, I condemn wholeheartedly people who offer themselves up for sale in that way. I believe that the whole House would condemn the way in which such people act. However, I think that the majority of parliamentarians abide by the rules and, when they leave office, seek the advice of the business appointments committee and abide by that advice.

Lord Maclennan of Rogart: My Lords, does the Minister recognise that the time has come to augment and strengthen the authority of the Advisory Committee on Business Appointments to enable it to embargo certain work done for pay by ex-Ministers that relates closely to the work of their former departments?

Baroness Royall of Blaisdon: My Lords, I understand that it can already do so. The Prime Minister, when he took office, strengthened some things; for example, he made it mandatory for Ministers to follow the advice of the committee. However, I hear what the noble Lord says. It is an interesting idea that should and, I hope, will be pursued.

Lord Campbell-Savours: My Lords, why cannot those who have benefited from their experience and contacts made in ministerial office go off to work in the charitable and public sectors when they retire, where their experience is greatly needed? Surely it is that commitment to public service that the Labour Party has, historically, always believed in.

Baroness Royall of Blaisdon: I agree with my noble friend that there are many jobs out there in the public service and in the charitable sector that would greatly benefit from the work of ex-Ministers. However, there are also other jobs from which ex-Ministers would benefit in sectors that would benefit, too, from the experience of ex-Ministers.

Lord Morris of Aberavon: My Lords, is it not time to tighten up the rules and increase the two-year period, in all its respects, as a cordon sanitaire between a Minister—or any other person—leaving office and taking up employment that is far too near the kind of job that he was doing before? For seven years or so, I sat on the Prime Minister's advisory committee. One of our reforms was to stop individuals using the fact that the committee had approved their jobs as a badge of approval. All that the committee had done was to implement the rules.

Baroness Royall of Blaisdon: I pay tribute to the work of my noble and learned friend and to other Members of this House who have sat on the business advisory committee. I think that, after two years, the experience of many Ministers would become stale. However, I bow to the experience of my noble and learned friend in saying that perhaps we should be looking at longer than two years—but I say "perhaps".

Lord Lawson of Blaby: My Lords, is it not particularly shameful that the three former Labour Cabinet Ministers who offered their services as paid commercial lobbyists clearly did so in the expectation that when they left the House of Commons, as they are due to do in a few days' time, they would find themselves in this place and would be doing their lobbying from this place? Does not the noble Baroness think that that is particularly shameful?

Baroness Royall of Blaisdon: My Lords, the actions of my right honourable friends in another place are certainly worthy of criticism. However, people on all sides of this House could have been in that situation in the past, so I do not necessarily blame those three Ministers—any of us could have been in such a position. The actions of those Ministers were particularly reprehensible, but it could happen to people on all sides of this House.

Poverty Gap
Question

2.41 pm

Tabled by ***Lord Glentoran***

To ask Her Majesty's Government what progress they have made in reducing the gap between the richest and the poorest.

Lord Trefgarne: My Lords, on behalf of my noble friend Lord Glentoran, and with his permission, I beg leave to ask the Question standing in his name on the Order Paper.

The Financial Services Secretary to the Treasury (Lord Myners): Since 1997, the Government have pursued a comprehensive strategy to support those on the lowest incomes, introducing the national minimum wage and a new tax credit system to support working families. The basic state pension has increased by 12 per cent in real terms. This means that low-income households have shared fully in rising national prosperity, with the Institute for Fiscal Studies' analysis showing that this Government's reforms have been clearly progressive, benefiting the least well off relative to the better off.

Lord Trefgarne: My Lords, I am grateful to the noble Lord for that reply, but despite his slightly obscure Answer—if I may say so—to the Question that my noble friend has tabled, is it not the case that the gap between rich and poor has not closed during the course of this Administration? Is this not another example of one of their core beliefs falling between the cracks?

Lord Myners: My Lords, far from being an obscure Answer, it was a factual Answer which sought to address the noble Lord's Question. Let me have another go at giving him a factual answer addressing the concern that he raises. Across the two most recent periods considered by the OECD report, *Growing Unequal?*, income inequality fell faster in the UK than in any other OECD country.

Lord Foulkes of Cumnock: Does my noble friend welcome this new-found interest in the poor from the Members opposite? Will he tell the House how many of the signatories to the letter in the *Daily Telegraph* are millionaires and how many are billionaires? Will he remind them that when national insurance was last increased there was no effect on employment, just as there was no effect when we introduced the national minimum wage?

Lord Myners: My Lords, the national minimum wage has increased by 22 per cent in real terms since it was introduced—a considerable achievement by this Government. The Gini coefficient, which is the measure used by economists to capture inequality, has been stable since 1997. However, it increased by a whole 10 points in the last 10 years of the previous Conservative Government—a true example of government for the few at the expense of the many.

Lord McNally: My Lords, did the Minister see the chart in the *Guardian* recently which showed that inequality in terms of the gap between rich and poor was at its lowest between 1976 and 1978? The Minister may recall that those were years when the noble Lord, Lord Steel, and I had a considerable influence on such policies. Does it therefore come as no surprise to him that the party that will be offering the most redistributive tax proposals in the forthcoming general election will be the Liberal Democrats?

Lord Myners: My Lords, the noble Lord, Lord McNally, asked that question almost with a straight face. I remind the House that the national minimum wage has increased by 22 per cent in real terms since 1999. Child benefits and child tax credits have increased by £790 since 2003. Four in every 10 families with children will pay no tax as a result of policies pursued by this Government. The differential between the upper and bottom quintile in earnings in this country is 16-fold before tax credits and benefits, and four-fold after them: true evidence of the redistributive force of Government policy to aid those in poverty.

Lord Lamont of Lerwick: My Lords, is the real noble Lord, Lord Mandelson, the one who last week told us that Bob Diamond of Barclays Capital was the unacceptable face of capitalism or the one who told us that the Labour Party was relaxed about people getting filthy rich?

Lord Myners: My Lords, we are committed to the eradication of poverty. We do that by pursuing policies that help and support those who are most vulnerable in society. Inequality is an aspect of that but we do not help the poorest in society by making the richer poorer. There is entire consistency between my noble friend Lord Mandelson's observations. He did not mind people being rich as long as they paid their taxes. He is concerned about the complete failure by the shareholders of Barclays bank to put a reasonable check and balance into remuneration within that bank.

Lord Barnett: My Lords, I was involved in some discussions with the Liberals between 1976 and 1978 and am bound to tell the noble Lord, Lord McNally, that I have no recollection of their help in any way. Has my noble friend had any serious proposition from any Member of the Opposition as to what further action could be taken to help?

Lord Myners: My Lords, one thinks about Conservative proposals to abolish child trust funds or the proposal—as a priority—to address inheritance tax to give an income advantage to the 3,000 wealthiest families in the country with no regard at all for those who are poorest in society. People will remember that as they vote in the election on 6 May and return a Labour Government to power.

Lord Forsyth of Drumlean: My Lords, is the Minister proud of the fact that his Government have spent 13 years creating a situation where people on incomes between £100 and £200 a week are effectively paying marginal rates of tax as a result of tax and loss of benefits of 95 per cent? How can he describe that as progressive reform?

Lord Myners: My Lords, I would simply not describe it as progressive reform. That is an exception. As the noble Lord, Lord Forsyth of Drumlean, knows, we have clearly lifted most of the poorest people in society out of any taxation at all. Of that I am proud. I will fight to ensure that that remains the case and is not removed by a Tory Administration.

Baroness Hollis of Heigham: My Lords, does my noble friend agree that under a Labour Government pensioners have seen their incomes double? Lone parents, who did not even have the benefit of a minimum wage, now go to work with a minimum wage of some £6 an hour and, as a result of tax credits, take home £11 an hour. As a result, for the first time ever, they and their children—as well as pensioners—have been sprung out of poverty by the achievements of a Labour Government.

Lord Myners: I fully concur with the observations made by my noble friend. We have taken action to ensure that the weakest and most vulnerable in society are protected. That is at the core of Labour Party values.

Baroness Noakes: My Lords, the Government have comprehensively failed to achieve their target of halving child poverty by 2010. We agree with the Government that work is the best way out of child poverty. Will the Minister therefore explain why they are imposing a huge tax on jobs at this time?

Lord Myners: We are taking resolute action to address the need for fiscal consolidation, and in so doing we are putting forward proposals that are rooted in reality rather than in myths and figments of imagination clutched out of the air to justify a policy that does not withstand any close examination.

Baroness Sharp of Guildford: My Lords, is it not a fact that people in the bottom 20 per cent of income distribution are paying a higher proportion of income in tax, taking all taxes into account, than the top 20 per cent?

Lord Myners: I do not believe that to be the case.

Lord Kilclooney: My Lords, since there are 2 million more people employed today than there were 10 years ago, has that helped to close the gap between the richest and the poorest?

Lord Myners: Yes, it will have done.

A noble Lord: Welcome aboard.

Schools: Truancy

Question

2.51 pm

Asked By ***Lord Luke***

To ask Her Majesty's Government what is the latest truancy rate for schools in England and Wales.

The Parliamentary Under-Secretary of State, Department for Children, Schools and Families (Baroness Morgan of Drefelin): My Lords, attendance rates are the highest ever recorded, with more than 70,000 more pupils in school every day than in 1996-97. Information is collected on authorised and unauthorised absence. Unauthorised absence includes unexplained or unjustified absence such as lateness, unauthorised holidays during term time and truancy. In 2008-09, the percentage of half-days missed through unauthorised absence in England in maintained primary schools was 0.64 per cent. In state-funded secondary schools it was 1.49 per cent and in specialist schools it was 2.14 per cent.

Lord Luke: My Lords, I thank the noble Baroness for that Answer. At the same time, I should like her to consider that some 67,000 children miss school every day. Is it not high time that we got bureaucracy off the backs of schools and gave head teachers and teachers full authority locally to tackle truancy, not "unauthorised absence"?

Baroness Morgan of Drefelin: My Lords, the important thing is to get children and young people attending school. That is why this Government have focused on driving up attendance. That means encouraging parents not to take holidays during term time and making sure that any kind of absence that is not absolutely necessary is not authorised by schools. That is why I am particularly proud that we can say now that attendance at schools is at its highest rate since records began.

Baroness Walmsley: Is there any correlation between truancy figures and those schools that have home-school outreach workers? What will the Government do to ensure that every school can afford at least one of these officers, who can work not just with the school and parents, but also with other agencies such as the Youth Justice Board?

Baroness Morgan of Drefelin: My Lords, the noble Baroness is right to point to the importance of the role of school support staff in tackling problems of attendance. We are particularly concerned that schools work together to share expertise and advice in promoting high and improving attendance; so it is particularly worrying that the choice in this general election is between the Government and an opposition party that would reduce the numbers of support staff below the increase of 200,000 that we have achieved, which would undermine the achievement of this Government in driving up attendance.

Baroness Verma: My Lords, perhaps I may go back to the Question. When the Government came to power, their focus was on education, education, education: yet despite more than £1 billion being spent on anti-truancy measures, the truancy rate has risen to record levels—up to 44 per cent. Will the Minister say exactly what the money has been spent on?

Baroness Morgan of Drefelin: My Lords, I must explain to the noble Baroness that what we are looking at here is driving up attendance. That means that we are very concerned to tackle unauthorised and authorised absence. We want to make sure that schools are not allowing parents to take children out of school for holidays and that truancy is tackled in the round. I am particularly pleased that all the investment that we have made in behaviour partnerships and school support staff has resulted in the best ever attendance rates for our young people in this country since records began.

Baroness Howe of Idlicote: My Lords, in drawing on my experience of some 20 years as chairman of a juvenile court, does the Minister agree that early truancy is often a sign of other serious child or family behavioural problems? Given that—I refer specifically to truancy—can the Minister give your Lordships the national truancy figures for each of the past five years? If, as I suspect, these are not available, can she please ask that any future Government will make them available so that this House can do its job of scrutiny in keeping government policies and their effectiveness under review?

Baroness Morgan of Drefelin: I understand the noble Baroness's frustration in wanting to look specifically at truancy. The issue here is: does it matter whether a parent, who has absolute responsibility for making sure that their child is in school, knows that their child is bunking off? We have to make sure that all unauthorised absence, whether it is in the knowledge of the parent or not, is tackled. We need to make sure that children are in school—that is why we have to focus on getting attendance up—and we need parents to play their role in that. That is why we have worked relentlessly throughout the system to get parents to take their responsibility to get children in school.

Baroness Massey of Darwen: My Lords, does my noble friend accept that some children are absent from school because of difficulties in the school, such as bullying? Can she say what strategies are in place to combat bullying in both primary and secondary school?

Baroness Morgan of Drefelin: The noble Baroness raises a very important point: if a young person is persistently missing school we have to look at the underlying reasons for that. Sometimes that means that the young person may need additional support. It may mean that they are having difficulty at school and that has to be properly looked into. That is why it is important that in the school system we have a sophisticated approach to understanding attendance and that we look at making sure that schools work together. We need to look at issues such as bullying inside school but also on the way to and from school. Schools really need work together on behaviour.

Lord Elton: Can the Minister point out the necessity, addressed by the noble Baroness, Lady Howe, of disaggregating these figures, so that we know why children are away? Some children need to be addressed themselves and others need to be addressed through their parents. It really is no good getting this the wrong way round.

Baroness Morgan of Drefelin: I agree, and that is why we have focused relentlessly on making sure that parents fulfil their legal obligation to make sure that they get children into school. That is also why we have ensured that there are parenting contracts and processes in place to make sure that where parents do not engage or do not know where their children are, they do their bit, get their kids to school and the system supports them to do that.

Armed Forces: Voting

Question

2.58 pm

Asked By ***Lord Astor of Hever***

To ask Her Majesty's Government what steps they have taken to ensure that all British Armed Forces personnel in Afghanistan will have the opportunity to vote in the forthcoming elections and that their votes will be counted.

The Minister for International Defence and Security (Baroness Taylor of Bolton): My Lords, first, I am sure that the whole House will join me in offering sincere condolences to the families and friends of Guardsman Michael Sweeney of 1st Battalion Coldstream Guards and Rifleman Mark Turner of 3rd Battalion The Rifles, both of whom were killed on operations in Afghanistan recently.

The Ministry of Defence works closely with the Ministry of Justice and the Electoral Commission to enable those service personnel in Afghanistan who choose to vote by post to do so. We are striving to expedite, subject to operational priorities, the delivery of ballot papers to and from Afghanistan for service personnel. We have encouraged all personnel to register to vote and to vote by proxy.

Lord Astor of Hever: My Lords, our thoughts, too, are with the family and friends of Guardsman Sweeney and Rifleman Turner.

Given the huge mistake made by the Government in the Representation of the People Act 2000, will they give a commitment—as we have—to end the need for service personnel, who are frequently on the move, to keep reregistering? After all, 34,000 full-time members of the Armed Forces are not registered to vote in this election. In light of the comments made by Michael Wills, the Justice Minister, that there is no guarantee

that all votes from Afghanistan will reach Britain in time, what measures will the Government take to ensure that all service votes are counted?

Baroness Taylor of Bolton: My Lords, I do not accept that mistakes were made as regards the 2000 legislation. We continuously have to keep under review the provisions we make. As regards the service register, we have changed the entitlement to three years and my noble friend has said from this Dispatch Box that that will go up to five years. However, it is important that that register is kept up to date.

My right honourable friend in another place, Michael Wills, recognised the potential problem for people voting in Afghanistan. That is why the Electoral Commission has designed a bespoke registration form which is being given to people operating in those difficult circumstances, and special arrangements are being made to dispatch ballot papers and to return them as quickly as possible. All that, of course, is subject to operational requirements.

Lord Roberts of Llandudno: My Lords, we on these Benches join in the sympathy expressed for the families of those who have lost their lives.

The Minister might be as surprised as I am that, at the last minute, the Conservative Opposition here are aware of this problem. We on these Benches have been tackling it for at least six months.

Noble Lords: Oh!

Lord Roberts of Llandudno: The Conservative Opposition might not be willing to face the fact that on not one occasion have the Conservatives taken any interest whatever in these problems.

I received an official poll card this morning that says that postal votes will be posted on Friday 23 April and that, in the case of any difficulty, we are to phone the local registration office by 30 April. How will forces in Afghanistan and elsewhere be able to respond to that warning?

Baroness Taylor of Bolton: My Lords, I recognise the long-term interest that the noble Lord has taken in this issue, but I had hoped that registration and encouraging people to vote would not be an issue of party-political divide at this time. I can think of many other things that will be, but perhaps not that.

Special arrangements have been made for those in Afghanistan, as I said, with a bespoke form. We are in the middle of a roulement—a change of personnel—in Afghanistan and part of the deployment package consists of information about registration, the appropriate form and a recommendation that service personnel in Afghanistan vote by proxy, as that is the surer way of ensuring that their votes are cast. Those new arrangements are an improvement and I hope that the whole House will welcome them.

Lord Bates: My Lords, can the Minister consult her ministerial colleague and confirm the fact that an amendment from these opposition Benches was tabled to the Political Parties, Elections and Referendums Bill to exactly that effect in February last year, which—correct me if my information is wrong—is more than six months ago?

Baroness Taylor of Bolton: My Lords, an assurance was given at that time that the change would be made. It is important to record that the service register should be kept up to date. If we keep those names on indefinitely, there would be problems. It is right to have an update every few years. The question was whether that should be every three or five years and there has now been an indication that it should be five years. I remind the House that the vast majority of service personnel are registered in the normal way at their home address and not on the service register.

The Earl of Sandwich: My Lords, our first thoughts are quite rightly with the soldiers, but the Minister will be aware that there are large numbers of civilians—some of them not working with the Armed Forces but in dangerous situations. Are the special arrangements extended to them, or can the Minister consult her colleagues on that?

Baroness Taylor of Bolton: My Lords, anybody who is deployed by the Government should have advice about how to vote. Although people can go on an overseas register, or a service register if they are military personnel, we would normally recommend that if they are going to be overseas it is preferable to vote by proxy rather than any other way.

Lord Brooke of Sutton Mandeville: My Lords, on a non-political basis, I point out that a century and a quarter ago in the then Afghan campaign a distant relative of the noble Viscount, Lord Brookeborough, and an even more distant relative of mine was ordered to lead a column of relief to Peshawar in March. He wrote to his wife in County Fermanagh every single day, and when he was killed in August of that year his wife had received all but one of those letters. May I commend that particular index of British army postal efficiency to the Minister as an encouragement at the present time?

Baroness Taylor of Bolton: My Lords, we should always be willing to learn from the past, especially in this House. I hope that the extra effort that has been undertaken by the Ministry of Justice, by the Electoral Commission and, indeed, by the Ministry of Defence will result in those who are on operations being allowed to vote in this coming election. I am sure that, all through the campaign, all our thoughts will be with those who are serving in such a difficult situation.

Lord Kilclooney: My Lords—

Lord Hunt of Kings Heath: My Lords, I am sorry. We have hit 30 minutes.

British Indian Ocean Territory

Private Notice Question

3.06 pm

Tabled By ***Lord Wallace of Saltaire***

To ask Her Majesty's Government why the Foreign Secretary announced the establishment of a marine protected area in the British Indian Ocean Territory during the Easter Parliamentary Recess.

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): My Lords, on 1 April 2010, my right honourable friend the Foreign Secretary announced the creation of a marine protected area in the British Indian Ocean Territory. The decision to establish an MPA was taken following a full public consultation and careful consideration of the many issues and interests involved. The consultation was launched on 10 November 2009, and due to the significant interest shown in the issue, the deadline for response was extended to 5 March 2010. Since the launch of the consultation, my right honourable friend the Foreign Secretary has corresponded extensively with Parliament on this issue, including with the chairs of the FAC and APPG on Chagos. There was also a Westminster Hall debate on 10 March and I myself have corresponded with a number of Members of this House. We believe that the creation of this MPA is a major step forward for protecting the oceans and we will continue to work closely with all interested stakeholders in its implementation.

Lord Wallace of Saltaire: I thank the Minister for her reminder that this was a 1 April announcement. Does she recall that in the 10 March debate in the other place the Foreign Office Minister who replied promised to keep Parliament informed before a final decision was taken? Does she also recall that the head of the consultation exercise is on record as saying that it would take three months after the closure of the consultation to complete a report? Is she also aware that a European Court of Human Rights assessment is still pending on this and that the Government have not yet given any indication as to how they will manage to enforce this MPA? What then is the hurry with these many uncompleted consultations and questions for the Government to rush this out on Maundy Thursday?

Baroness Kinnock of Holyhead: I reassure the noble Lord that we intend to continue to work closely with all interested stakeholders, both in the UK and internationally, in implementing the MPA. We have not drawn a line under this and discussions will continue. The UK courts have ruled that ECHR is not applicable in BIOT and the compensation has been paid in full and all claims settled. We are defending our position in Strasbourg on that basis and we believe that the UK has no legal obligations to pay any further compensation.

Baroness Whitaker: My Lords, there is a more alarming scenario to explain why the rightful inhabitants of the two Chagos atolls, 130 miles away from the Diego Garcia base, have been kept out. Following the information in the *Sunday Times* of South Africa last month that Diego Garcia is being prepared for a nuclear or other strike against Iran, can my noble friend assure the House that Diego Garcia will not be used for an assault on Iran and tell us what conditions, if any, have been agreed with the Americans for the use of Diego Garcia?

Baroness Kinnock of Holyhead: I reassure my noble friend that the general policy is that we allow the United States to store only what we ourselves would store.

Lord Howell of Guildford: One body who feel that they were not well consulted or worked with over the marine park project are the Government of Mauritius, in whose territory part of the marine park lies. Is the noble Baroness aware of the considerable anger and dismay that has been expressed by Mauritian government authorities about how they were not consulted and not involved in the whole process that the Minister described, and will she comment on that?

Baroness Kinnock of Holyhead: My Lords, I am aware that that has caused considerable discussion in the lead-up to an election in Mauritius. They consider the impact of Mauritius to be extremely serious, but the establishment of an MPA would have no effect on our commitment to cede the territory to Mauritius when it is no longer needed for defence purposes. I know that that is a sensitive issue, and, indeed, an election issue, but our commitment to Mauritius remains unaffected.

Lord Avebury: My Lords, in her Answer, the noble Baroness said that she continued to work closely with all the stakeholders. How will she work closely with the people of the Chagos Islands and, in particular, how can she explain to them that this decision is without prejudice to the rights that may be conferred on them by the decision of the European Court when it takes away their only source of livelihood?

Baroness Kinnock of Holyhead: My Lords, following the Law Lords' ruling of 22 October 2008, which upheld the validity in law of the BIOT (Constitution) Order 2004, there is no right of abode in the territory, although Chagossians will raise the issue of fishing and other rights of employment. I point out that a number of Chagossian people have visited Diego Garcia and have talked to the Americans about possible employment. The case is now at the European Court of Human Rights. As my right honourable friend said in the other place, creation of the MPA is without prejudice to the ongoing proceedings in the European Court of Human Rights. Should circumstances change, all options for a marine protected area, including fishing rights, may need to be reconsidered.

Lord Campbell of Alloway: My Lords, has there been any consultation with anyone about this decision and, if so, with whom?

Baroness Kinnock of Holyhead: I pointed out in my original Answer that we have had a long period of consultation, where many stakeholders and others have petitioned and given their reasons for their decision on the issue. I point out that about 90 per cent of those who submitted a view to the consultation were in favour of the marine protection area.

Baroness Young of Old Scone: Is the Minister aware that this is probably one of the most important conservation decisions that this Government have made in their entire tenure, and is supported globally by many countries across the world? One of the most heartening things about the decision is just how much support there has been from a variety of stakeholders across the globe. The important conservation interest of that area is now secure, thanks to that decision. Is the noble Baroness aware of how much support there is across the world for the decision?

Baroness Kinnock of Holyhead: The noble Baroness is right to point out that we are protecting an area of outstanding natural beauty which, in terms of presentation and biodiversity, is among the richest on the planet. The UK has created one of the largest marine protected areas and has doubled the coverage of the world's oceans benefiting from protection. I confirm that the BIOT Administration will take the MPA forward so that that is achieved in a realistic, sustainable and affordable way.

Lord Wallace of Saltaire: My Lords, can the Minister explain what impact the declaration of an MPA will have on the operations of the US base on Diego Garcia and how the United Kingdom will ensure that the Americans observe these conditions, given how very few British personnel there are in Diego Garcia?

Baroness Kinnock of Holyhead: In 1966 an exchange of notes with the United States made the whole archipelago available for the defence purposes of both Governments as they may arise. This remains the case, and the United States has continued to confirm it on a number of occasions with our Government. The Prime Minister has said that our treaty obligation with the US requires us to maintain sovereignty over the whole of the archipelago.

Privileges

Motion to Agree

3.15 pm

Moved By ***Lord Brabazon of Tara***

That the report from the Select Committee on the conduct of Lord Clarke of Hampstead (4th Report, HL Paper 112) be agreed to.

The Chairman of Committees (Lord Brabazon of Tara): My Lords, this report follows an investigation by the Sub-Committee on Lords' Interests into the noble Lord, Lord Clarke of Hampstead's, use of the Members' reimbursement scheme. The Committee for Privileges accepted the sub-committee's conclusion that the noble Lord, Lord Clarke, breached the rules governing the Members' reimbursement scheme. The committee has also endorsed the sub-committee's recommendation that the noble Lord, Lord Clarke, should make a Personal Statement to the House to apologise without reservation for his misuse of the scheme. I beg to move.

Motion agreed.

Personal Statement

3.16 pm

Lord Clarke of Hampstead: My Lords, with the leave of the House, I wish to make a Personal Statement. I wish to say that I of course fully accept the conclusions of the report of the Committee for Privileges to which the House has just agreed. I accordingly apologise to the House without reservation for my misuse of the Members' reimbursement scheme, and I very much regret the damage that has been caused to the reputation of this House. I would also like to thank Members from all sides of this House for showing me support—and, if I may say so, affection—in the past 10 months.

Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010

Financial Services and Markets Act 2000 (Liability of Issuers) Regulations 2010

Al-Qaida and Taliban (Asset-Freezing) Regulations 2010

Motions to Approve

3.17 pm

Moved By ***Lord Myners***

That the draft regulations laid before the House on 3 February, 8 and 15 March be approved.

Relevant Documents: 8th 11th and 12th Reports from the Joint Committee on Statutory Instruments, considered in Grand Committee on 25 March.

Motions agreed.

National Assembly for Wales (Legislative Competence) (Housing) (Fire Safety) Order 2010

National Assembly for Wales (Legislative Competence) (Culture and Other Fields) Order 2010

National Assembly for Wales (Legislative Competence) (Education) Order 2010

Commons Councils (Standard Constitution) (England) Regulations 2010

Motions to Approve

Moved By ***Lord Davies of Oldham***

That the draft orders and regulations laid before the House on 28 January, 24 February and 9 March be approved.

Relevant Documents: 9th and 10th Reports from the Joint Committee on Statutory Instruments, considered in Grand Committee on 23 and 25 March.

Motions agreed.

Charities (Disclosure of Revenue and Customs Information to the Charity Commission for Northern Ireland) Regulations 2010

Motion to Approve

Moved By ***Baroness Crawley***

That the draft regulations laid before the House on 28 January be approved.

Relevant Documents: 8th Report from the Joint Committee on Statutory Instruments, considered in Grand Committee on 23 March.

Motion agreed.

Powers of Entry etc. Bill [HL]

Third Reading

3.18 pm

Lord Bassam of Brighton: My Lords, I have it in command from Her Majesty the Queen and His Royal Highness the Prince of Wales to acquaint the House that they, having been informed of the purport of the Powers of Entry etc. Bill, have consented to place their interests, so far as they are affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

Lord Selsdon: My Lords, I beg to move that this Bill be now read a third time.

Motion agreed.

Lord Selsdon: My Lords, I beg to move that this Bill do now pass.

Bill passed and sent to the Commons.

Arrangement of Business

Announcement

3.19 pm

Lord Bassam of Brighton: My Lords, it might be helpful if I make a brief Statement in relation to certain events that have unfolded today and the impact on our business this week.

This morning my right honourable friend the Prime Minister asked Her Majesty the Queen to proclaim the Dissolution of Parliament, and I am pleased to be able to report that Her Majesty has been graciously pleased to signify that she will comply with this request. In other words, my Lords, there is a general election.

Your Lordships may wish to note the following key dates, which are now available in the Printed Paper Office. Parliament will be prorogued at the end of business on Thursday 8 April, and the general election will take place on Thursday 6 May. The new Parliament will meet on Tuesday 18 May, when the other place will elect a Speaker and, in both Houses, Members will be sworn in. The State Opening of Parliament will take place the following week.

Today's events will have implications for the business for the rest of this week. However, I should stress that business today will proceed as it is set out on today's Order Paper. Following discussions in the usual channels, which is quite normal on these occasions, I can announce the following provisional programme of business for the next few days. The House will sit as usual at 3 pm tomorrow and at 11 am on Thursday. On both days, Prayers will be followed by Oral Questions.

I now turn to business tomorrow. Immediately after Oral Questions, the Leader of the House will move a customary Business of the House Motion which, if agreed, will allow more than one stage of a Bill to be taken on the same day. We will then take proceedings on Bills as follows: Committee on the Financial Services Bill; Committee and remaining stages of the Crime and Security Bill; Committee and remaining stages of the Energy Bill; Committee and remaining stages of the Constitutional Reform and Governance Bill; and finally, Committee and remaining stages of the Children, Schools and Families Bill. Noble Lords will be pleased to know that House dinner will be available tomorrow evening, as previously advertised.

Before turning to business on Thursday, it might be helpful if I say a few words about the Constitutional Reform and Governance Bill, which I know many Members have taken a great deal of interest in. As a result of usual channels discussions, the Government intend not to proceed with the provisions on alternative voting reform and the provisions on hereditary by-elections.

On Thursday, the House will meet at 11 am for Prayers. After Oral Questions, we will take Report and Third Reading of the Financial Services Bill, then Report and Third Reading of the Flood and Water Management Bill. We will then proceed to take the following Bills: consideration of Commons Reasons on the Personal Care at Home Bill; and Committee and remaining stages of two Private Member's Bills: the Mortgage Repossessions (Protection of Tenants Etc.)

Bill and the Sunbeds (Regulation) Bill. We will then take a draft Misuse of Drugs Act 1971 (Amendment) Order before turning to Bills arriving from the other place. We will take all remaining stages of the Consolidated Fund (Appropriation) Bill and the Finance Bill and two further Private Member's Bills arriving from the Commons—the Sustainable Communities Act 2007 (Amendment) Bill and the Debt Relief (Developing Countries) Bill—before considering any other Commons Amendments as required.

Finally, the intention is to prorogue by Royal Commission at the end of business this Thursday. Dissolution will then follow on Monday 12 April. This information is now available in a special edition of *Forthcoming Business* in the Printed Paper Office and the Government Whips Office. The Public Bill Office has agreed to extend the deadline for tabling amendments tonight to 7 pm and the Refreshment Department has made plans to provide what is required, for which I am sure we will all be very grateful.

I know that many Members of your Lordships' House have shown a great and keen interest in the wash-up process in recent weeks, and I trust that the House will ensure that the process works as smoothly this week as it has in the past.

Baroness Anelay of St Johns: My Lords, I thank the Captain of the Gentlemen-at-Arms for setting out the programme of business for the remainder of this Parliament. The wash-up procedure is indeed a well trodden path followed by both Houses over decades. Naturally, I support the objective of ensuring that where Her Majesty's loyal Opposition and the Government are in agreement that Bills or specific provisions within Bills are necessary for the good of this country and its future, they should be given the opportunity to pass on to the statute book by the end of this Parliament. The Government will have our support during the remainder of this week in achieving that objective.

Today, the Government are setting out the business for the dying days of this Parliament. We on these Benches have cleared our diaries and are ready to campaign for the future and for what we hope is a change in Government. I cannot let this moment pass without expressing my surprise and some disappointment that the Government have decided to delay the start of the next Parliament beyond the normal time.

I notice that the Captain of the Gentlemen-at-Arms referred to the swearing-in date of 18 May and to the State Opening in the following week. Will he at some stage confirm that the date of the State Opening is anticipated to be 25 May? We would have wished to see Parliament return a week earlier than that, so that we could get on with the business of scrutinising policy and legislation, which this House does so well. I know that Members of this House would be ready, willing and certainly able to rise to that challenge.

Lord Shutt of Greetland: My Lords, I, too, thank the Government Chief Whip for making this announcement. I hear that there has been a lot of discussion about this thing called the wash-up, but it seems to me that the wash-up is a wash-out. I am far from clear as to who is involved—certainly, the first I heard of any of this was at about 2.20 pm—and if anyone thinks that the channels, which are little becks as far as I am concerned, have any involvement, I would like to know where this happens.

I am amazed that the Opposition Chief Whip is surprised at the announcement of the signing-in days, because I would have thought, as with everything else, that that is part of the duopoly of this place. However, one is surprised from time to time. We may learn more later, but my colleagues will think very carefully about the Bills that come before us, and things might take that little bit longer than some noble Lords think before they get their Bills: if, indeed, they get their Bills.

Lord Campbell-Savours: My Lords, will my noble friend say who is blocking the referendum? Is it Downing Street? Is it the Official Opposition? Does not the elected House, the House of Commons, which carried the referendum with a two-thirds majority, have any say in these matters?

Lord Stoddart of Swindon: My Lords, this Statement has been sprung on us somewhat, and some of us cannot absorb it completely in the time that has been given. One Bill was mentioned—the Constitutional Reform Bill—large parts of which affect this House and the future of this House. However, only two matters were referred to, only one of which affects this House: the position of the hereditary Peers. What about all the other matters that affect this House? They need a lot of discussion and simply cannot be dealt with in a few hours. We need a few days, perhaps even weeks, to deal with some of them. Parliament and this House are being sidelined in this process, and very important matters are being imposed on the country without proper discussion in this House and, perhaps, in the other House.

Lord Tyler: My Lords, will the Government Chief Whip confirm that no one party has a veto over what should or should not be agreed during the wash-up? Will he also confirm that in March 1997 the then Conservative Leader of the House pushed through, against opposition, a Motion to take complete charge of all business, including business that was not acceptable to some parties in the House? Will the Government Chief Whip therefore confirm that this is not just a matter of all parties taking the same decision on the same issues, and that it has simply been a deal between the Government and those on the Conservative Front Bench?

Lord Bassam of Brighton: My Lords, I think I described the wash-up as something that is based on tradition. It is exactly that, and I am sure that noble Lords will understand exactly what I mean.

I hope that the House will discuss the remaining stages of Bills in an orderly and appropriate fashion. Noble Lords will be aware that there are discussions outside this Chamber to agree an orderly process, which is exactly what we have attempted to achieve here. I am sure that most noble Lords will dwell on the fact that it is to be praised and admired that we can arrive at consensus and agreement on the majority of

[LORD BASSAM OF BRIGHTON]
business before your Lordships' House. I am delighted to see that most of the Government's programme will find its way onto the statute book; it is that which gives me great pleasure, and I am sure it gives great pleasure to those of my colleagues behind me who wish to see the effective implementation of a Labour programme. That is what we have secured through these arrangements.

The noble Baroness, Lady Anelay, was very kind and polite in her words, and asked one question to which I am afraid I am not able to provide an answer. I think that the date of the Queen's Speech is yet finally to be determined; but of course all Members of your Lordship's House will focus a keen interest on that date.

Lord Elton: The Captain of the Gentlemen-At-Arms did not answer the question asked by the noble Lord, Lord Tyler. Surely the situation is that, when time is so limited, only that to which this House in the great majority agrees can go through this House. If there is no agreement, surely it cannot be put on the statute book.

Lord Brooke of Sutton Mandeville: My Lords, in this context, will the Chief Whip say whether the tradition to which he referred goes back before 1916?

Lord Bassam of Brighton: My Lords, it is a tradition that goes back a very long while. The noble Lord, Lord Elton, was right to remind me that I had not fully answered the noble Lord's question, but I think that, in all of these matters, there has been a high degree of scrutiny. To take the point of the noble Lord, Lord Stoddart, about the Constitutional Reform and Governance Bill, that Bill has not only been scrutinised in the other place but has been through pre-legislative scrutiny. We are now seeking to secure the maximum agreement to most of the measures in that Bill, and I think we can do that. I hope noble Lords will all play their part in securing that agreement over the next couple of days.

British Film and Television Industries (Communications Committee Report)

Motion to Take Note

3.31 pm

Moved By ***Lord Fowler***

That this House takes note of the Report of the Communications Committee, *The British Film and Television Industries—Decline or Opportunity?* (First Report, HL Paper 37–I).

Lord Fowler: My Lords, this debate could hardly have come at a better moment. With the election declared only this morning, it gives all the parties their first opportunity to set out their policies for the film and television industries. We shall listen to my noble friend on the Front Bench, we shall listen to the noble Baroness, Lady Bonham-Carter, from the Liberal Democrats and—with the close attention that we have always accorded to that great old trooper of these debates—we shall listen to the noble Lord, Lord Davies of Oldham.

Let me try to set the scene. In this inquiry, our purpose was to examine the current state of the British film and television industries and to see what we could propose to help their further development. Together, these two industries already make a major contribution to the British economy. They employ well over 100,000 people, with British films generating overseas earnings of over £1 billion a year. Last year, British studios brought in another £750 million in inward investment. In television, BBC Worldwide, the commercial arm of the BBC, has sales of over £1 billion a year and the potential for substantially more.

In terms of quality of production, there have also been some quite outstanding successes. British films such as "Slumdog Millionaire" and "Four Weddings and a Funeral" have been major international successes. Equally, we have had very successful television programmes, including "Planet Earth", "Prime Suspect" and, of course, the current cult favourite "Ashes to Ashes", which is now starring on posters all around the country.

All this looks like a story of undoubted success, but it is an account that needs to be qualified. Inward investment in films may have increased by over 50 per cent in the last year, but part of that was due to the fall of sterling rather than any permanent improvement. In television, the total value of expenditure on UK-originated output by the five main public service broadcasters has been reduced by 15 per cent in real terms over the last five years. Spending on British-made children's television has been sharply reduced, while in regional news we face the prospect of ITV withdrawing altogether. Just as serious is the fact that, in film and television, training budgets are being cut, which is a fundamental problem for industries that depend so crucially on skilled staff. There are serious challenges for whichever Government are in power after this election. Although this may not be a matter of great debate on the hustings, there should be no doubt that these creative industries deserve serious policy attention.

Although film and television share some strong characteristics, they are also very distinct. The first point to be made about the film industry is that it is dominated by the big American studios. Britain simply does not have companies such as Warner Bros, which makes the Harry Potter films at Pinewood, where we visited. It both finances and distributes the films internationally. Even a quintessentially British film such as "Chariots of Fire", produced by the noble Lord, Lord Puttnam, had only a minute £17,000 of UK financial investment in it. A film may be evidently British but much of the profit flows back to the Hollywood companies that provide the money and, of course, take the risk.

Inevitably, much of the effort of the British film industry is to attract the Hollywood companies to make their films here, but we are up against formidable international competition. Many countries in Europe compete to put together attractive incentive packages. Germany, for example, spends more than €300 million

a year to bring film-makers to studios such as Studio Babelsberg, which we visited. However, this happens not just in Europe: across the Atlantic, Canada offers special terms for animation companies and, inside the United States, individual states compete to bring in productions. We in Britain need to recognise that we are in a very competitive market. Even in these difficult times, it is vital that the financial support given by the present tax credit system should be maintained.

It is not just a matter of financial help. A skilled workforce is also crucial in attracting investment. There is no question but that training has been cut back. The commercial public service broadcasters have cut back and so, too, has the UK Film Council in its contribution to the skills set. However, there is another point as well. Many witnesses from both film and television said that the universities do not offer the specialist training needed to equip graduates to work in these industries. In other words, we need to better match the training to the demand, particularly when these industries can provide good, well paid careers.

On a further point on films, we all tend to think about box-office receipts as the crucial financial measure of a film's success. Obviously, it is good to know that cinema admissions in the United Kingdom rose significantly last year. However, few, if any, films make a profit from cinema revenue alone. It is the other sales, the tail revenue, that make the difference between a profit and a loss—that is, sales to television, merchandising and, most important, sales of DVDs. That is why we supported the anti-piracy measures in the Digital Economy Bill, which in this House—contrary to one suggestion on the radio this morning—received as detailed a consideration as any Bill that I can remember. Whether it is seen through in the wash-up—perhaps the Minister will guide us on that—or as a new Bill, it is important that that law is strengthened.

In one respect, we felt that the Government could have gone further. I am talking about camcorder crime where camcorders are used illegally to record new films and the recording is sold as DVDs. There is no question here of genuine error. It is organised crime, which is why most European countries have specific laws against it. However, the UK does not. For many months the Government said that they were waiting for a test case under the Fraud Act. Was this test case before the Supreme Court or the Court of Appeal? Well, not exactly: it was before the Isle of Wight magistrates' court in Newport, where a man was convicted of recording a film on a mobile phone. He was fined £150, but his phone was returned to him. As you can make between £20,000 and £30,000 for a good recording, it is not immediately obvious how this is going to provide a deterrent to illegality. Indeed, it is not obvious that many people other than residents of the Isle of Wight such as me and loyal readers of the admirable *County Press* even know about the case. I gloss over the fact that the Secretary of State himself caught up with this vital test case only two weeks after it was decided. This is an area that we should return to in the new Parliament.

Turning to television, we find a difficult position. The BBC is sustained by the licence fee, but even that has not prevented cuts in some important areas such as children's television. As for commercial television, the days when Roy Thomson could call it a "licence to print money" have long gone. In the same way as newspapers, British television has suffered from the migration of advertising to the internet. Revenues are down and, as a result, home-produced British programmes have been cut. It is often cheaper to buy the American import. Nor let it be said that that gap has been filled by subscription income broadcasters, which have not suffered remotely as much as the channels that rely on advertising.

The result is that a number of areas of British production are under serious pressure. One of those is children's television. The head of broadcast at Aardman Animations, one of the leading animation companies in the world, has said that less than a quarter of children's television now shown here is made in the UK and the same message has come from other British producers of children's programmes. The Government's response is that they have now put a responsibility on Channel 4, but that raises the question of where the finance is going to come from. Our suggestion was that, on a pilot basis, the tax credit available for films should be extended to children's programmes and animation productions for television. The Government replied that this would put pressure on the public purse and rejected the proposal.

However, the Chancellor accepted a number of our proposals. We said that, in the face of foreign government-subsidised competition, the British Government should provide tax credit support for video games production. That measure was announced in the Budget only a few days ago. Obviously, we welcome the Government's conversion, but I have to say that, as far as the future is concerned, it is at least equally important to encourage British-made children's programmes as it is to encourage the production of video games. This is another issue to which a new Government should turn their attention.

A second casualty of the parlous state of commercial television is regional news. I shall not repeat the arguments that we made in previous reports, but I want to make this point. In my view, it would be immensely serious if competition from ITV went and the alternative for the public was eliminated. I am a great admirer of the journalistic standards of the BBC, which I think has some of the best reporters both at home and overseas, but I do not want to see a BBC monopoly. In national and international news programmes there is no prospect of that, but in regional programmes inside the UK, with their enormous audiences, there is every prospect of that happening if ITV pulls out in the way that it has announced. Such a development would come at a time when regional and local newspapers are also under unprecedented pressure. A regional monopoly must be prevented and, if that means using some of the licence fee or another form of support, that is a decision that we should take.

I shall make one further point about these industries. Policy towards both film and television should be proactive in the interests of the United Kingdom. Sadly, we have not always taken our national opportunities. In 2008, there was a proposed joint venture between the BBC, ITV and Channel 4 to provide video on demand—the so-called Project Kangaroo. Almost by

[Lord Fowler]
definition it was in the national interest, but it was blocked by the Competition Commission, doubtless applying rules that it had been given. There is something deeply absurd and objectionable when a decision of that kind simply results in direct benefits for American video-on-demand ventures coming into this country. In this case, the interests of the UK were not upheld; they were ignored.

An even greater test case for the future concerns BBC Worldwide, the commercial arm of the BBC, with £1 billion revenue and £150 million profits, much from exports. It is a very successful company but it is held back by lack of finance to develop further and by frankly counterproductive BBC Trust rules seeking to limit how successful it can be. It must be unique in the world of business to say to a commercial company, "You are being too successful, so kindly reduce your activities". However, that is what is happening. The obvious solution is to provide finance to bring in private investment, which is what the current Government support. There is no reason why such a public/private company could not become a truly global brand selling not only BBC programmes but other British television to the benefit of the whole industry and those who work in it. That is the test for the BBC Trust when the question comes to it. Is it prepared to look outwards and help to create a really successful British distribution company, in a way that has proved impossible in film, or is it going to continue to look inwards and ignore the opportunity? One part of the bargain with the BBC is, I think, that it should represent the national interest, not just a narrow corporation view.

I have one last word. This is the fifth report of the Communications Committee, which was set up only in 2007. Another report on digital switchover has just been published. Before 2007, there were two reports from the BBC Charter Committee, which I also chaired. This has all represented a big workload for the members of those committees. I would like to thank sincerely all those who have worked on this report and the ones before. They have worked extremely effectively. I also thank the clerks, the support staff and the advisers, who have been superb. I must also thank the noble Lord, Lord Davies of Oldham, who has replied to so many of our debates. I know that in his heart of hearts he would have liked to have accepted many more of our proposals. Above all, I say to the House generally that I very much hope that we have shown that this is an important area of policy and demonstrated why the Communications Committee should be one of the Select Committees that will continue in the next Parliament.

3.48 pm

Lord McNally: My Lords, it is very easy for me to continue where the noble Lord, Lord Fowler, left off. There are very few things in political life on which you look back and take great pride, but the battle to establish this committee was not an easy and straightforward one. I would like to think that I gave the noble Baroness, Lady Howe, support during a long and difficult time. Certainly, if she is the godmother of this committee, I like to think that I am the godfather. When the committee was established one of the things I was most keen to see was the noble Lord, Lord Fowler, as its chairman. Both the committee itself and the leadership he has given it fully justify his final plea.

I hope that I do not have to strap on the armour again at the start of the new Parliament and that this time there will be a real understanding of the benefit of this committee. We had a great deal of opposition from down the Corridor because the DCMS committee thought that a committee in this House would tread on its toes. I do not think it has—it has shown great skill in selecting the issues. As the noble Lord, Lord Fowler, said, in this, the last debate we have on its work in this Parliament, we have a very forward-looking document which will be of great use to Ministers—whatever the complexion of the next Government—in setting an agenda for a very important part of our economy.

My interests in the industries are all non-financial. I am chair of the All-Party Parliamentary Group on ITV and an active member of both the BBC and media groups. I also have—like, I suspect, many noble Lords—a firm belief that film and television play an important role in defining the social and cultural life of a country. Film can so often reflect accurately the mood of an era. We see the defiance of the 1940s in wartime films, and the optimism of the 1960s in the films of that time. With television and radio, we learn how to communicate with each other and how we speak to the world.

Many obituaries of cinema have been written over the past 50 years but it is still, as the noble Lord, Lord Fowler, indicated, a vibrant force. Because we are in the midst of a technological revolution, similar obituaries are being written about terrestrial television. These are equally premature. No other platform, no other service, could have gripped the nation's attention in the way BBC1 did on Saturday night when we had our first view of the new Doctor Who, or last night on ITV when we held our breath to see if Inspector Frost walked off into the sunset or came to a sticky end.

There are those, often with vested interests, who say that the need for a strong, publicly funded, public service broadcaster belongs to a bygone age. Convergence and new technologies create a new world of diversity and consumer choice. They also offer great opportunities because of technical skills, the English language and our acting and production in this country. This report is a timely reminder of how important film and television still are to our creative industries, and how, far from being replaced by them, they provide a launch pad for an impact on the new technologies.

Let me start at what is first base for me. The BBC is essential, and it is essential that it emerges from the coming decade strong and well financed, the iron pole around which our commitment to public service broadcasting is sustained. Tessa Jowell once memorably said that the BBC licence fee is,

"venture capital for our creative industries".

So it is. But to survive and prosper the BBC will have to show both generosity of spirit and nimbleness of foot—skills often lacking in recent times.

I have doubts about the proposals in the report for top-slicing or shaving—or whatever—of the licence fee. Any of these proposals will quickly become a soft

option for almost any idea that comes up. I would need a lot of convincing before I saw the idea of touching the licence fee as anything other than a slippery slope.

The BBC still has to fight its battles, with the rest of the media concealing vested interest behind their criticisms. When I read a knocking story about the BBC, I think the newspaper carrying it should carry a health warning—something like: "The media corporation that owns us will make millions of pounds by charging you for news and information you at present get from the BBC as part of your licence fee, if we can persuade the Government to prevent it providing this excellent service". Or perhaps Sky News could run a strap-line where it usually shows breaking news stories, stating: "If we can persuade the politicians to impoverish and marginalise the BBC, we will be able to charge you many times more than the licence fee for our inferior service".

The BBC could help itself in the battles ahead. Executive pay in a broadcaster whose cash flow is guaranteed by public funds cannot use the private sector as a comparator. Chasing talent with a cheque book is also unacceptable. The BBC does not buy stars; it makes stars. Matt Smith and Karen Gillan are not stars, but they will be if the first episode of "Doctor Who" is anything to go by. We pay our licence fee for the wide range of programmes that the BBC provides across television, radio and the internet, but we also pay it so that the BBC can be a breeding ground for talent. I welcome paragraph 317 of the report, which says:

> "In the light of the variability of training across the sector, we welcome the continuing role played by the BBC and the BBC's willingness to make its training more widely available through the launch of the BBC Academy".

That is what I meant by generosity of spirit. I know that it can sometimes be irksome for the BBC. How often have many of us sat on committees receiving evidence from somebody trashing the BBC, who says, "I know what I'm talking about; I was trained by the BBC"? Yet long may the BBC retain its record as a trainer which can endure such hand-biting. The report also had something important to say, as did the noble Lord, Lord Fowler, about training and skills, particularly in paragraph 305:

> "In our view, apprenticeships and internships in the film and television industries are under-used and uncoordinated".

Also, in paragraph 313, it says that the film and television industries need,

> "to provide more equal access to training and skills-based career development through greater use of apprenticeships and graduate internships".

That rings true not just for this industry but for the British economy as a whole. We have got to train, but in this industry we have positive evidence. The Americans who gave evidence said that one reason that they came to Britain was the skill base that we had. We have to invest to retain that skill base.

Quite frankly, I was slightly surprised that not a single university or further education college, or a group thereof, gave evidence to this committee. It is an example of a lack of joined-up government that that should be so. I am on the court of the University of Hertfordshire, and we are told that our Faculty for the Creative and Cultural Industries, within the university, is making efforts to make contact with the creative industries, to see if they can identify their needs. Clearly, however, that message has not got through; there is a need for greater co-operation and co-ordination. It is also time that we stopped sneering at some of the "funny" degrees that some universities give; those funny degrees are exactly the skills that the new technologies and creative industries need. We have to understand that the creative industries are now job and wealth creators on a par, within our economy, with manufacturing and financial services.

The report also has some important things to say about finance and investment. There seems to be general satisfaction in the film industry with the present tax structure and no great demand for new public money. Yet there is a lot of evidence that it could be used smarter and more effectively, and that there are too many disparate pots of public money for entrepreneurs to go searching through. Existing public money needs to work in a smarter way and public policy needs to help drive new business models, develop skills and secure meaningful access to finance.

Film investment still seems to be a major problem. I noticed the evidence from the Corporation of the City of London, but that was about what a good job it does in locating sites within the square mile for film companies to film in. What has always puzzled me is why the City of London, which prides itself on being able to raise finance to mine tin in Bolivia—or to do almost anything else in the world—has no capacity for raising finance for British films. I know, because it used to employ me, that the corporation of London has an excellent economics department which produces and commissions some excellent economic studies. I suggest that one thing the City of London could do is to commission a study of how the City could be made a conduit for finance for British films. That certainly would be a way forward.

I associate myself with what the noble Lord, Lord Fowler, said about anti-piracy laws. I have been involved in various campaigns ever since I came into this House on the simple theme that, if somebody steals somebody else's creative ideas, that is theft. We should have the laws to protect our creativity, particularly when everybody is telling us that it will be one of the things that will rescue us in the world ahead. I also share the noble Lord's concerns about the rulings of the Competition Commission on Kangaroo and contract rights renewal. It seems that the Competition Commission is operating in a rather austere, narrow academic way. Frankly, I wonder whether it was sensible to have two regulators in this area rather than leave these matters to Ofcom's judgment. As the noble Lord, Lord Fowler, indicated, they certainly do not seem to have taken the public and national interest into account.

There is certainly also a need to look at the legacy regulation on the commercial public sector broadcasters. Frankly, it is a disgrace that 90 per cent of investment in original UK programming still comes from the main public service broadcasters, including £800 million from ITV—something to be remembered next time Sky blubs about being bullied by Ofcom. I pay tribute to Ofcom. It is not quite the Eliot Ness regulator hoped for when I sat on the pre-legislative scrutiny

[LORD MCNALLY]
committee of the noble Lord, Lord Puttnam, but it is respected and has proved itself a research-based and proactive regulator.

The noble Lord, Lord Fowler, said that this was a timely debate. This is an excellent and thought-provoking report that should be required reading not only for the next Secretary of State for Culture, Media and Sport, but for the Business Secretary, the Minister for Higher and Further Education and the Chancellor of the Exchequer. The report and the creative industries deserve a joined-up response from government.

On a final and personal point, Appendix 7 lists decades of British television highlights which I realise mirror the story of my life. It starts with "Crackerjack" and "Juke Box Jury" and ends with "Strictly Come Dancing" and "Faking It".

4.02 pm

Baroness Howe of Idlicote: My Lords, it is a very great pleasure to follow the noble Lord, Lord McNally, who, as he said, was an enormous help in getting this committee up and running. I am flattered to be thought of as a possible godmother and I can think of no better godfather than the noble Lord.

I take a slightly different approach in that I do not totally welcome this opportunity. Apart from the fact of our current economic plight, I should have thought that the day the election is announced is hardly the best time to try to persuade the Government to accept and finance our report's recommendation to increase support for the important and financially valuable work of British film and television. Incidentally, as has already been said, it is one of the most successful examples of our creative industries. Although the Government's response shows that they are grateful for much of what the report says, we shall clearly have to say it all over again when the next Government—whether the same or a different one—take office, but at least it is a splendid opportunity to rehearse.

I want to mention two issues: the importance of education and skills training for the industry; and, particularly as we are now firmly within the digital economy, the need to look for further ways of encouraging the industry—and wider than the industry—to complete the digital conversion of local cinemas and, indeed, to take this conversion to local and rural community centres.

First, I have a few more general points. As the noble Lord, Lord Puttnam, has said, among others, the Government's 2007 film tax credit scheme for firms making culturally British films is now, after a few initial hiccups, working well. However, I hope the next Government will give serious consideration to our suggestion, not least in these difficult economic times, that qualifying films with budgets under £5 million should have their net rate raised to 30 per cent. Also deserving of attention is the idea to extend the export credit guarantee scheme, currently mainly geared towards manufacturing, to films and especially to foreign pre-sales of British films. Our report also endorses the UK Film Council's commitment to promoting the UK as an inward investment destination for film production. In particular, we strongly support its proposal for the already highly successful Office of the UK Film Commissioner in Los Angeles to be given increased financial backing to do an even better job. It is good to see that the Government support that move.

As your Lordships know, Channel 4 has been particularly successful in its contribution to the reputation of the British film industry. We have already heard of the success of "Slumdog Millionaire", just one testimony to the superb quality of films from that channel. The Government's Digital Economy Bill will, I hope, give Channel 4 greater responsibility here by bringing film production firmly within its public service remit. Having not picked up "Digital Economy Bill" in what was said earlier today, I fear that it has maybe fallen by the wayside but I continue to keep my fingers crossed. There is also encouragement in the Bill for Channel 4 to make UK quality films and drama programmes for older children and young adults—again, widely to be welcomed.

The BBC's role in all aspects of film and drama production is central. It was rightly identified by PricewaterhouseCoopers as pivotal in the stimulation, development and sustenance of the UK's creative sector, not least in so many aspects of its training role. We have already heard that from our chairman. Indeed, it would be interesting to know how many of those employed in the film and television industry have not been trained at some stage of their careers by the BBC. As well as itself making feature films through BBC Films, the BBC has a particularly important role in showcasing British films. "Man on Wire" and "The Duchess" are two of this year's award winners.

Both the BBC and Channel 4 spend between £10 million and £12 million a year on new British films. This sum should increase for the BBC as the effects of its strategy review kick in. Some amazing commitments within that review will take us all a little time to absorb. It promises an extra £10 million a year to be spent on high-quality, UK-produced children's content. If this is combined with the BBC's significant commitment to spend at least 80p of every licence-fee pound on content creation, we should see the possibility of considerable improvement for the international promotion of our British film industry.

One sadness for me here is that those earlier plans for a possible joint enterprise between Channel 4 and the BBC's commercial subsidiary, BBC Worldwide, which we have heard about already, is no longer on either channel's agenda. Both channels could have worked together to promote, even more effectively and productively, successful films and programmes internationally. This is a great shame, not least when one remembers that BBC Worldwide over the past four years—we have already heard this, but, my goodness, is it not a significant sum?—has generated and invested back into UK creative talent some £1 billion.

I turn now to the first of my two issues, which is the need for more education and training in the film industry. There is certainly a need to alert more children, earlier in their schooling, to the possibilities of exciting careers in the industry, and particularly to the value of achieving good results in maths and science. There are, of course, increasing numbers of students taking media studies at university. This has already been referred to.

However, I take a slightly different view, because the adequacy of some of these courses is criticised with some justification in paragraph 286 of our report.

There remains a considerable shortage of specialist skills. That was pointed out also by Pinewood Studios. One of our most interesting days—I could talk about this for a long time, but I will keep it short—was spent on a visit to Pinewood. It acts as a landlord, letting out its specialist services, stages and studios to producers and their staff for every kind and size of film and television project. Watching some of this was an inspiration. The studios' income comes 50 per cent from film, 30 per cent from television and 20 per cent from rents paid by other on-site businesses. There is plenty of space for further growth. Seventy per cent of projects filmed there are American. They are attracted by the scale of Pinewood's facilities, the skills of the workforce and the cost-effectiveness of production. However, skills shortages persist. Judging by the glamour of film and television, and the importance that the Government give to apprenticeships, not least in their plans for raising the school leaving age to 18, this is one avenue that, if it were more effectively promoted, might well attract more students, including far more girls, who are still in a considerable minority among apprentices.

From discussions with those in the industry, such as the BFI and others, I discern a vagueness about the exact range of skills that are needed. I will return to the different skills that we were shown on our tour. Facial and hair masks were made with each strand of hair sewn individually into the scalp. The mask could be worn only for one day's filming and then had to be discarded. The next day, you would have to put on another beautifully created mask. There is such a range of skills there, not just devotion. Pinewood might be the ideal place for at least part of an approved apprenticeship scheme, as well as similar HE courses and internships.

My last point is about the distribution and exhibition of films. I do not know whether other noble Lords share my puzzlement, but I find it difficult to know when a television programme is a film and when it is not. Certainly, one has heard sensible arguments about why relevant UK TV dramas, with the same content quality as a film, should be treated in the same way as films—and not least, for example, given the same tax concessions—particularly in light of the huge pressure exerted by the internet on the advertising revenues of the TV industry as a whole.

I return to the dominance of the US film industry and to its financial benefits, over so many years and covering most stages of a film's development, in particular its distribution and exhibition. Perhaps I am being overoptimistic, but we may be facing the possibility, in this digital and internet age, of a range of different film-viewing patterns that will make the USA's control of distribution rather less dominant.

In light of the number of cinemas still to be digitally converted, our recommendation at paragraph 123 of the report urged the Government and the UK Film Council to find a way of completing the digital equipping of cinemas in the UK, and in particular to find ways of helping small independent cinemas. However, the Government's response remains gloomy, no doubt because of the cost as it is currently being estimated per conversion. But is not one hope, particularly in rural areas, to fund local community centres and simultaneously help local cohesiveness with the necessary digital equipment? As the *Digital Britain* White Paper pointed out, there will be interest in viewing other sporting, cultural and arts events, as well as films, on these rather larger screens. I know we will all be able to look at everything on every form of thing we carry, whether it is a telephone or some of the latest equipment, but there will still be this need to see on these large digital screens the sort of areas we are now looking at. Indeed, I recently had an experience of seeing one such opera, "Der Rosenkavalier", at the admittedly central London cinema, the IMAX, live from the Met—a really brilliant experience which I highly commend to anyone. Equally, I have seen more than one excellent film at a digitally equipped local Warwickshire community centre.

To end, I shall be leaving the Select Committee from tomorrow and I, too, add my grateful thanks to our quite amazing series of clerks and subject experts. As our chairman has said, our committee has certainly been productive and very hardworking, but it has also been a hugely enjoyable and interesting experience to be part of such a team. Above all, we owe a more than special vote of thanks to our chairman. He was the perfect choice for the job and it has been an enormous pleasure to be part of his team.

4.17 pm

The Lord Bishop of Gloucester: My Lords, I am deeply grateful to noble Lords and to support staff for both welcome and help when I was introduced in December. I promptly made my integration into this House more difficult by disappearing on a 12-week sabbatical from which I have just returned, keen to delay no longer my maiden speech and my involvement in the life of this House, which I will seek to serve well.

I begin by paying tribute to the former right reverend Prelate the Bishop of Portsmouth, whose recent retirement it was that caused me to receive the Writ summoning me to this House. Kenneth Stevenson, battling for so long with ill health, took very seriously his membership of this House and engaged with its Members in his inimitable and energetic way both in this Chamber and outside it.

The diocese which I serve covers almost all the historic county of Gloucestershire, including that part which is now part of the unitary authority of South Gloucestershire. Though it is predominantly a rural diocese, in terms of employment some, of course, commute out of the diocese to London, Birmingham and Bristol, some only come into the diocese at weekends, but a great many gravitate each day to Gloucester and Cheltenham to work.

Gloucestershire produced the first jet engine through the work of Sir Frank Whittle in Gloucester, where much of the early jet and aircraft technology was developed. We are conscious of the need to harness these skills again in the changing conditions of today. We have nevertheless some astonishing business successes at the present time.

[The Lord Bishop of Gloucester]

One company in Bishops Cleeve supplied the whole of the enormous kitchen facility for the Olympic Games in China, the Winter Olympic Games in Canada and the astonishing hospital unit at Camp Bastion in Afghanistan. Another at Wotton-under-Edge has won 13 Queen's Awards for Enterprise—more than any other company in the UK except ICI. A Gloucestershire scrap metal dealer has won two Queen's awards for its initiatives in the reuse of metals, aluminium in particular.

We will soon be welcoming the multinational Allied Rapid Reaction Corps to Innsworth, which will liven up our culture with representatives of more than 15 nations taking advantage of our music, literature and science festivals and being integrated into our schools.

The tourism industry is very important, too, with the Wye Valley, the Cotswolds, Gloucester Cathedral and docks and regency Cheltenham. Indeed the city of Gloucester has been transformed through the work of the Gloucester Heritage Urban Regeneration Company, of which I am a board member, and which has brought £450 million of investment into the city over the past five years.

A major issue for us is that of an increasing number of people coming into the county to retire. They are living longer and longer. We are facing the question of how we can, as a county, continue to support these older people. It needs visionary thinking. But by the same token, this growing army of older people gives us a great opportunity to harness their experience and their minds. Perhaps Gloucestershire could be a national exemplar for this growing sector of our population who have still a major contribution to offer to our communities.

Younger people wishing to stay in the county of their birth face a tough struggle to do just that in Gloucestershire. The price of buying a home is out of their reach in most of our areas, especially in the rural parts of the county. Government action is needed to develop a programme of affordable housing for these young people. But many of our young are well served by the University of Gloucestershire, of which I am proud to be pro-chancellor. Awarded the title of university in 2001, it has established itself as one of the most forward-looking, modern universities with some world-class research identified in the last research assessment exercise and producing graduates with one of the highest levels of employment nationally.

This is the county that my diocese, with its more than 300 parishes and 400 churches, and with a population of two-thirds of a million people, seeks to serve. Among those living in the county are many names of those associated with the film and television industries: Kate Winslet, Liz Hurley, Lily Allen, Kate Moss and Anne Robinson, to name just the most famous. Harry Potter, who has already been mentioned, although fictional, can also claim a Gloucestershire connection as we have twice welcomed the makers of those box-office record breakers to Gloucester Cathedral, transforming the Chapter House and the medieval cloisters into Hogwarts School. So Gloucestershire is not unaffected by the health of the film and television industries and I, therefore, read the committee's report with great interest.

I am aware that my friend the right reverend Prelate the Bishop of Manchester is a member of the committee, which has clearly taken a considerable amount of time to look at these issues. He is sorry not to be able to be in his place today.

The report lays bare the fact that the provision of quality training for the workforces of these two industries is growing increasingly patchy, not helped by the economic downturn. In that I echo the words of the noble Lord, Lord McNally. Retraction by the commercial public service broadcasters from their investment in training appears to be crystallised in ITV's recent announcement that it is pulling out of the new Media City development at Salford Quays, a decision that suggests it will have little involvement with the world-class training facilities that are being built there. Failing to sow properly now will reap poor harvests in future which could genuinely threaten the competitiveness of the UK television industry. I am proud that the University of Gloucestershire has a flourishing film studies course.

As shown in the report in the example of highly skilled animation and multimedia work, when we fail to provide the right type of training in our universities, colleges or in-house schemes, skills have to be brought in from overseas, which is a cause of resentment among the hundreds of graduates seeking jobs in the sector each year who would willingly have increased their skills in these specialist areas had the training been available to them as part of their course. If we fail to close the gap between what employers want and what training institutions are providing, we are perpetuating an informal system that relies on who you know. Wider application of more formal apprenticeship and internship models is vital to creating a more meritocratic and socially diverse sector.

Perhaps, in concluding, I may pass comment on one other aspect of the report mentioned by the noble Lord, Lord Fowler. I welcome the suggestion in paragraph 188 that new provision will be made to ensure regional and local news coverage on Channel 3. In Gloucestershire, we are now receiving so-called local ITV news that is often bereft of any real county coverage. Good local news coverage is vital to the sense of identity of a region and of a county and we need that provision in place.

I, again, thank your Lordships for your welcome. It will be a privilege to play a part in the future business of the House.

4.24 pm

Baroness McIntosh of Hudnall: My Lords, it is a great pleasure to be the first to welcome the right reverend Prelate the Bishop of Gloucester, finally—if I may say so—to our debates. I congratulate him on a really excellent maiden speech. He comes to this House with a distinguished record, both as a priest and as a scholar, and—as he has just told us—with a very strong commitment to education and urban regeneration in his own diocese, which, again if I may say so, he described to us with such lively enthusiasm that I think those of us who are not lucky enough to live there already might immediately want to go and find somewhere there to set up home. I also note that he is the father of four daughters, and as one of four girls

myself—with a brother bringing up the rear—I recognise and salute the challenge that that represents. In his speech today, he has put down a marker that tells us that we can expect a great deal from him in the future. I welcome him very warmly to the House and wonder whether the Select Committee on Communications possibly beckons.

Yesterday, my son-in-law, hearing that I was going to speak in this debate, looked up from his newspaper—a rare thing you might think, somebody actually reading a newspaper, but he was—and said, "All I want to know is why there is never anything good on telly on a bank holiday". I thought that was an excellent question, and one that, in a way, this report addresses.

I thank my noble colleague—if I may call him that—the noble Lord, Lord Fowler, for introducing this report so elegantly. I take this opportunity, along with my colleagues on the committee, to thank him for being a generous, impartial, and, where necessary, an extremely robust chairman. It has been a pleasure and a privilege to serve with him. His achievements will surely be more than enough to ensure that the Communications Committee is reinstated in the next Parliament. If it is, which I fervently hope it will be, I hope it will be lucky enough to be as well served by the Clerks and advisers who work on it as we have been.

I also thank the Government for a commendably speedy response to the report and for making time to allow this debate to happen—just—before the election. I hope my noble friend on the Front Bench will forgive me if I say that speed may have been the enemy of reflection in some aspects of the response to the report. I do not mean that unkindly, but I hope that he will accept it as a mild criticism.

Most issues raised by the committee have been covered by other speakers, but I want briefly to reinforce a couple of points. The first is the decline of UK-originated content for children and young people, which was mentioned by the noble Lord, Lord Fowler, and others. It was a matter of concern to every witness who gave evidence to us about it. It seems clear that the economic challenges faced by the television industry, and by the commercial companies in particular, which the report sets out in detail, are having a disproportionate effect on the creation of high quality programming for children—especially for the older age group. Even the chairman of Ofcom, quoted in the report, speaking to a Select Committee in another place just over a year ago, said that,

"we are sleepwalking into a situation where we do not have UK-generated content of a high quality for our kids. I believe that would be a very bad outcome".

It is pretty hard to disagree with that sentiment and, as has already been said, the Government have declined to accept the committee's recommendation that tax credits should be extended to children's programming on a trial basis, preferring to rely, at least to some extent, on the requirement that they have placed on Channel 4 in the Digital Economy Bill to include content for older children and young adults in its services. Although that new provision is very welcome, it is unlikely to be enough on its own to halt or reverse the decline in spending on children's programming, which is a mighty 48 per cent since 2003. It is surely not reasonable to expect Channel 4—obviously, in conjunction with the BBC—to bear that responsibility alone.

I hope that the Government, when they are returned to office, as I am sure that they will be, will take another look at that issue. We must accept that money is in short supply in both the public and private sectors, but investment in our children's development, which is what high quality television programming represents, must surely always be a priority.

My second point concerns training and education for the film and television industries, which was mentioned by several other speakers. Here, again, the committee received overwhelming evidence that greater investment in skills by funding bodies such as the UK Film Council, training institutions and the industries themselves is essential if the UK is to retain its competitive edge, particularly in areas such as animation and computer-generated design. In fairness, the Government's response acknowledges the seriousness of that issue, but the Government are perhaps less willing to recognise how quickly the UK's current prime position in the supply of top-quality production skills could slip away if we do not keep our eye on the ball.

Recent policy emphasis on the so-called STEM subjects in universities has given the unfortunate impression that less value should attach to the disciplines that come under what we might call the creative umbrella. That is a false and unhelpful distinction. Our creative industries are among our most successful. As has been said, they need science, technology, engineering and mathematics graduates to recognise the opportunities that they can offer, along with opportunities for graduates in languages, literature, music, media and business studies. Ensuring that that point is reinforced when funding decisions are made by HEFCE, for example, is the Government's responsibility. Those points have been made by the noble Lord, Lord McNally, and the noble Baroness, Lady Howe.

Finally, I add a few words about the importance of the UK film industry, which continues to punch well above its weight in a market dominated, as we have heard, by the massive output of the Hollywood studios. We should be proud of the distinctive achievements of production companies such as Working Title and of the worldwide success of films produced by Channel 4 and the BBC—the noble Lord, Lord Fowler, and the noble Baroness, Lady Howe, remarked on that.

I want in particular to celebrate the artists who contribute to those films and, to make the point clear, to note the names of a few who have done so well both in UK films and in Hollywood: people like Helen Mirren, Judi Dench, Kate Winslet—who has already been mentioned—Alan Rickman, Daniel Craig, our current James Bond, made at Pinewood, James McAvoy, Ewan McGregor and, new on the scene, Carey Mulligan. There are directors such as Sam Mendes, Danny Boyle, Stephen Daldry, Phyllida Lloyd and Stephen Frears; and writers such as David Hare, Tom Stoppard, Christopher Hampton and Frank Cottrell Boyce.

It was Frank Cottrell Boyce, in his recent appearance on "Desert Island Discs", who said of the UK film industry,

"it's not industry—it runs on good will and people working for nothing".

[Baroness McIntosh of Hudnall]
He also noted that it took 15 years for one of his scripts to get from its initial stage to being made into a film. What he said is to some extent true, as the committee's report touches on in the section headed, "Apprenticeships and Internships". That is why proper investment in training is so important, but talent continues to emerge, and many of our most gifted practitioners in the film began—and some still practise in—our publicly funded theatres. As we move towards a new Government, let us not forget, whatever our political allegiance, to nourish our creative industries at the grass roots to ensure a rich cultural heritage for our children and grandchildren.

4.34 pm

Baroness Eccles of Moulton: My Lords, I, too, start by welcoming the noble Prelate the Bishop of Gloucester, whom I thank for his excellent maiden speech.

Our committee has held six inquiries in a little less than three years. This is the fifth. The total weight of written and oral evidence will amount to quite a few kilograms. This is in no small part due to the drive and energy of our excellent chairman, my noble friend Lord Fowler. He has led us at some pace through a series of fascinating inquiries. I should like to echo the noble Baronesses, Lady Howe and Lady McIntosh, by saying how much we have enjoyed his chairmanship and admired it. It has been an especially interesting committee to be part of. I should also like to say that we have been extremely well supported by our clerk and specialist advisers and by all those who have done so much for us in the office. Thanks to them, too.

Our report includes the history—a very brief history—of the British film and television industries in two separate sections. Cinema for public entertainment emerged more than 100 years ago, mostly in the United States, France and Great Britain. The world's first regular television service was launched by the BBC in 1936 but was suspended throughout the war and resumed in 1946. It has been helpful to our inquiry to be able to understand how and where these two industries started and have their roots and to have some idea of how they evolved.

While working on the committee's earlier reports, we became very aware of the effect of the digital age, long term, and the recession, hopefully short term, on the film and television industries. As this report considers in more depth the actual making of film and of television programmes, we continued to find out how penetrating these two influences are. On the digital front, one example is the need for cinemas to be adapted so that digital projection takes over from analogue. This is particularly serious for small cinemas, where the investment is disproportionate to their income—a point that has been referred to by the noble Baroness, Lady Howe. The more small cinemas are able to project digitally, the more opportunity there will be for low-budget films to be screened. Added to which, it costs less to prepare a film for digital transmission. Because of the recession, there has been reluctance on the part of the banks to provide the essential start-up funding for new films and programmes. Alternative sources have to be found.

I shall touch briefly on two subjects, one of which, tax credits, has already been mentioned by the noble Lord, Lord McNally. The other has not been discussed but I think that it is important: the proposed merger of the UK Film Council and the British Film Institute.

On the first subject, the answer to the question posed in the title of this report—decline or opportunity?—has a core message, which is funding, so it is not a bit surprising that many of our recommendations consider the effect of pressures on funding and what can be done to alleviate them. One theme that occurred again and again in the evidence was tax credits or, as the Government call them, film tax relief. These were revised in 2007 and, although the previous scheme provided important funding for the film industry, it was drawn so widely that some of the benefit went where it was not needed. Some witnesses told us that the revised scheme was drawn too tightly and that this has affected the funding of lower-budget films.

At present, as I am sure most noble Lords already know, if a British film is shot partly overseas using a British crew, there is a financial penalty. This problem could be alleviated by extending relief to British filming that is carried out overseas. In addition, that would recognise the creative and commercial needs of film-makers to film outside the UK. Oxford Economics carried out a study on the impact of increasing tax relief on low-budget films; a hopeful message for the Treasury is that the results suggest that an increase would be close to fiscally neutral.

An adjustment would also sustain the UK as an attractive venue for international film-makers. For instance, the industry here in the UK is renowned for its post-production expertise. Other countries have caught up and are challenging the UK's position—they know that generous tax credits attract inward investment. However, the Government do not believe that any adjustment is necessary at present. In response to our recommendations, they quoted some impressive numbers, but they did not indicate how much greater the benefit to the industry could have been if the scheme had been more sensitive to the needs of low-budget films, nor did they reflect the risk of international film-makers finding more attractive venues than the UK. However, they said that,

"the film tax relief will be kept under review to ensure that it is meeting the policy objective of promoting the sustainable production of culturally British films".

While looking further into the film industry, we took evidence from the United Kingdom Film Council in March last year and from the British Film Institute in June. At that stage, the question of a merger was not being openly discussed. The subject came up during our last session in November when we took evidence from the Secretary of State at the DCMS, Ben Bradshaw. The UKFC is a non-departmental government body established in 2000. Its funds are provided by grant in aid and the lottery. The BFI is a charity founded in 1933, which was granted the royal charter on its 50th anniversary. A little under half its funds are grant-aided through the UKFC and the remainder is self-generated income. The UKFC, principally a funding body, provides finance for the production of new films. The BFI provides cultural support for the industry through distributing films that might otherwise

never reach the public, through the national film archive, through annual festivals and through other activities.

The merger between two such apparently disparate organisations gave us some cause for concern. We were concerned that any savings on administration would be too small to warrant the upheaval. We were also concerned that the BFI's cultural role would not be maintained and that its charitable status could be affected. However, the Minister assured us that the charitable status would be retained and we understood from the Government's response that the boards of both organisations were in support of the proposed merger, which is an important factor.

As we speak, four months later, things have moved on. Agreement has been reached in principle with the Charity Commission that the new body formed by the merger can have charitable status and it is assumed that that will include retaining the royal charter. However, the merger could cause complications when it comes to good governance and board membership. The existing board of the UKFC consists mainly of directors from larger commercial organisations and so represents the commercial interests of the body. The BFI's objectives are firmly embedded in film's cultural interests. Therefore, if good governance is to be maintained by the merged body, a number of the directors need to represent the cultural remit of the BFI. In order to make sure that their respective responsibilities are properly recognised, it is proposed that an interim board should include both directors from the predecessor boards and some new blood. The two organisations agree that the proposal to merge is in the public interest. They have much to offer each other—the UKFC's ability to fund new productions and the BFI's cultural support to the industry through distribution, exhibition and the national film archive—so we must wish them well and hope that the merger goes through and succeeds.

In conclusion, this report should continue to be considered seriously. The digital age is proceeding at a galloping pace and the interests of the film and television industries are deeply affected. Our report and evidence contain valuable opinions and information from leading experts in the field. We hope that it will be useful to the Government when they are formulating policy for the industry in the future.

4.44 pm

The Earl of Glasgow: My Lords, I congratulate the Select Committee on Communications on an excellent and surprisingly readable report. It describes clearly the history and present state of the British film industry and its value to the British economy. The film industry is apparently a net contributor to our balance of payments, which can only be a good thing, but the report fails to differentiate clearly enough, at least to me, the two quite separate aims of the British film industry. One aim, surely, is to produce a regular flow of home-grown films that are intended to appeal to the home market but also, whenever possible, to the people of other countries, so that they can earn much needed foreign currency.

The other quite different aim is to make Britain so attractive to foreign film companies that they will be enticed into making their films here—what I believe the report refers to as "inward investment". British film technicians and our major film studios provide facilities that are second to none in the world. "Star Wars", "Superman" and many other big blockbusters were made here and this trend must obviously be encouraged and built on.

The other aim is quite different. It suggests that the Government should invest in native film-making talent and encourage British film companies to make a certain number of wholly British films that preferably reflect our culture and our way of life. This is a much more questionable proposition. Film-making is primarily a commercial business and an art form second. Should it not be expected to look after itself? Does it really deserve government support? After all, the United States, perhaps obviously, feels no obligation to support its vast Hollywood-based industry. On the other hand, most European countries, particularly France and Germany, do support their industries. Besides reasons of national pride, most other European countries have to compete with the power of the predominantly English-language films that flood them and most other countries in the world. We, on the other hand, are the English language and we have quite an advantage over them.

Between January 2009 and now—just over a year—108 British films have been made, all of which have had some sort of theatrical release, plus there have been another 67 British co-productions in which British money and usually a lot of British talent have been invested. However, I suspect that noble Lords will not have heard of more than 75 per cent of those British films and never will hear of them, probably because they are cheaply made and not very good. Most of them will probably be super-violent action or horror films—genres, we are told, that appeal to the 16 to 25 year-old market and quickly find their way on to the shelves of DVD stores. They are sometimes referred to in the trade as slasher movies or gore fests.

Incidentally, vampire movies are the flavour of the moment. Some of us might have thought that they had gone out—or were dead and buried, we might say—with Christopher Lee and Hammer films, but they seem to be having a surprising new resurrection. It is difficult to pick up a film magazine nowadays without being confronted with at least one photograph of a mad, staring beauty with mouth open and blood, or something looking like it, spilling from her fangs.

However, some of these British, and British co-produced, films are excellent: "Moon", "Bright Star", "Sex & Drugs & Rock & Roll", "Me and Orson Welles", "Fish Tank", which rightly won BAFTA's award for best British film of the year, and the remarkable international success of "An Education". All were made on relatively small budgets and, I assume, although I do not know, all were financially profitable. When British films can get guaranteed American distribution and the financial backing of big American distribution companies, Britain can also go in for big-budget films, which have already been mentioned, such as the Harry Potter films and the James Bond franchise, although no one would suggest that government money should be invested in films such as these.

It is the surprise hits that help to make the film industry such a fascinating business. As far as I know, no one expected "An Education" to do as well as it

[The Earl of Glasgow]
did. Even more surprising was last year's "Slumdog Millionaire", which has also been mentioned in the debate. It had no stars, was set mostly in the slums of Mumbai, and some of it is spoken in Hindi, with subtitles. Surely no Hollywood producer would have predicted its extraordinary international success. When, as a member of BAFTA, I was sent a pre-release copy, I had not heard of the film—only of its director, Danny Boyle, who had made, along with other great films, the groundbreaking "Trainspotting" some 10 years before. Yet "Slumdog Millionaire" went on to win the Oscar as well as the BAFTA for best film of the year.

"Slumdog Millionaire" is one of those once-in-every-five-years special British films that seem to come out of the blue, usually with modest budgets, and take the international film world by storm. Sadly, and for no obvious reasons, such successes are often followed by a slump in the British film industry. Maybe overconfidence and overambition take over, as seems to have happened in the case of Goldcrest. That company inspired the world with "Chariots of Fire" and charmed it with "Local Hero" but then, after three expensive failures, went bankrupt. It is unfortunate that the noble Lord, Lord Puttnam, is not here: he would be able to tell the House much more about that than I can. More recently, "Four Weddings and a Funeral", with its relatively ordinary—but very British—storyline, swept the world and turned a previously unknown actor called Hugh Grant into a big Hollywood star.

I was involved in one of those Great British breakthrough movies. In 1960, I was employed by the film company Woodfall, the brainchild of John Osborne and Tony Richardson, which had already made quite an impact on the British scene with films such as "The Entertainer" and "A Taste of Honey". I was the runner in "The Loneliness of the Long Distance Runner". I then went on to work on Woodfall's production of Henry Fielding's "Tom Jones". There was a great deal of anxiety in the post-production stages of that film and a lot of re-editing and music changes took place. The result, however, was a huge international hit. It was only the second British film ever to win the best film Oscar. After "Tom Jones", Tony Richardson had no trouble raising money for anything that he wanted to do. However, with the possible exception of "The Charge of the Light Brigade", he never made another good film or a financially successful one. Woodfall eventually went down. What, I wonder, does international success do to aspiring British film companies?

Another interesting experiment took place in the early 1970s, when EMI set up a division to finance modestly budgeted British films. This was a time of the film industry's slump, when several major American companies—no longer intoxicated by swinging London—were withdrawing their investment in British-made films. EMI put Bryan Forbes in charge of the new company. He was a highly regarded director and producer, who had made a string of modestly successful British films, the best known of which was the very popular "Whistle Down the Wind". I remember that at the time we had great hopes for this new company, but it resulted in a number of unmemorable, middle-class, middle-brow films that failed to make much impact either here or abroad. That company, too, collapsed. Its one success was "The Railway Children", which did well at the time and has continued to be popular; it is actually showing this week in London in a new digital version.

In such a volatile industry, how could or should the Government help? If government money could be focused on assisting only those quality British films that allow British talent to flourish in companies that have difficulty finding funding elsewhere, that would make sense. If the proposed film has hopes of some sort of distribution in art houses all over the world, it would be taxpayers' money well spent. All I am saying is that government money should be spent on good films and not on bad ones—but that, as we all know, is easier said than done. Nobody knows—though some pretend that they do after the event—whether a film is going to be good or bad until after it has been made. Even then, they do not know whether it is going to be a commercial success. Nobody ever sets out to make a bad film—at least, I do not think that they do—but a lot of things can go wrong. Film-making, even on a modest scale, involves many different talents, skills and egos, as well as financial restraints. The trick is to make the chemistry cohere. That is often a question of luck rather than good management. Most of us have heard about the making of "Casablanca"; out of almost total chaos came one of the most popular films of all time. To some extent, that was also true of "Tom Jones". This is just one of the elements that make film-making such a fascinating business.

If we believe that we should support British film production in some way, what is the best use of taxpayers' money? Clearly, indiscriminate tax incentives to individuals prepared to invest in British films does not and has not worked. I know that, in 2004, unsaleable films were produced quickly in order to ensure that their rich backers got their tax relief. The present law, which allows film companies, rather than individuals, tax relief on their own films, seems to be working much better. However, if the Exchequer really wants to get its money's worth, it has to back the right films. Choosing the right films is now the job of the UK Film Council. Let us hope that it makes the right decisions and does a lot better job than Bryan Forbes did.

4.55 pm

Lord Gordon of Strathblane: My Lords, I join in the general welcome accorded to the right reverend Prelate the Bishop of Gloucester and thank him for his interesting and thoughtful maiden speech. It will also come as a great relief to my fellow members of the Communications Committee, who greatly enjoyed the contributions made by his colleague the right reverend Prelate the Bishop of Manchester, to know that it is not a doctrine held de fide throughout the Anglican communion that Salford is the creative capital of the world.

I hope it will not go unnoticed that, on the day a general election is declared in Britain, this House is debating the future of television and film, and the House of Commons is having its Second Reading of the Digital Economy Bill. In my view, that is appropriate. While undoubtedly the problems of the economy are more immediate and will certainly dominate the election campaign, the hope must surely be that by the end of

the next Parliament, if it goes a full term, we may begin to see light at the end of the tunnel in terms of the economy.

However, the problems and opportunities afforded to us by the digital economy will still be with us. The digital economy has already transformed our lives and I think that one can say, without exaggeration, that the internet has proved to be a more important invention than printing. It has the capacity to transform our lives even more and to make the best available to everyone. Yet it carries the potential to destroy creativity or at least render it so bereft of adequate remuneration that it will wither on the vine. It is vital that the Government of the day continue to monitor our progress towards a digital economy.

I think that it was Tim Bevan, of Working Title, who said, "The problem is, in Britain, we have a huge bucketful of talent, but the bucket has got a hole in it". The hole is online and camcorder piracy. The very qualities that make digital a great addition to film—better quality and longer-lasting copies can be made more quickly and cheaply than when making film prints—are the same as those that make piracy an even bigger threat than it has ever been.

As far as I can see, it has been recognised for about 100 years that the film industry is important to Britain and that it is right for the Government to intervene in one form or another to help it on its way. As various members of the committee have already mentioned, the general consensus is that the current tax credit system works pretty well and they have suggested only minor changes. Perhaps I may reassure the noble Earl, Lord Glasgow; the feeling also was that the UK Film Council is by and large doing a good job. As our chairman, the noble Lord, Lord Fowler, pointed out, even more important than tax credits in recent years has been the fall in the value of the pound. While that is regrettable in many ways, it will have the advantage over the next few years of making Britain an even more attractive investment for Americans in particular.

As has been pointed out, while in America the studios are big enough to vertically integrate, finance, produce and distribute films themselves, we in Britain just cannot do it. We have tried, and Rank is probably the example that will come to most people's mind, but we are not big enough. Therefore we have to do one of two things. We can enter into partnerships with the big American studios, where we surrender independence in exchange for security of funding, and—provided that we can negotiate considerable artistic freedom, as some of the best British producers have—it is a good deal. The other possibility is inward investment, and it is true to say that about two-thirds of all film production in Britain has been financed by the United States. The problem with inward investment is that it is highly mobile; it can and indeed will go anywhere in the world. We face the danger of getting into an incentives arms race, as it were, so that if someone else offers bigger tax credits than us, people will migrate. It is the task of the Government to make sure that our tax credits are generous enough to be competitive without being profligate.

The independent producer, confronted with raising the considerable amount of money required to make a film, turns to the British Film Council in the hope of a tax credit and perhaps to the BBC or Channel 4 for some assistance, and on that basis, tries to parlay some money out of a bank. In the past he might also have hoped to get money up front from those who will subsequently either distribute the film or hold the DVD rights. The problem is that online piracy has put these latter two parts of the funding patchwork quilt in jeopardy because the distributors feel that they might never see a return on their investment, since pirate copies will have ruined the theatre audience for any subsequent distribution.

We were particularly taken with the evidence given by Michael Kuhn, who suggested that the big five or six producers should get together and offer a slate of films for the private investor to put money into, in much the same way as unit trusts make the business of investing in one share rather than another less risky. By happy coincidence the noble Lord, Lord Lucas, has just taken his place, so I shall say that we were also taken with the evidence given by various people who told us that the creative industries needed to change their business model. As the noble Lord has pointed out frequently during our debates on the digital economy, a lot of piracy occurs not because people want to get something for nothing, but simply because the material is not available legally. Increasingly, creative producers will have to offer people a legal alternative for their product. If a film is a great success in America, but people here are asked to wait far too long before they can get the DVD, of course they are going to resort to piracy. We have to change our ways as well.

Along with the noble Lord, Lord Fowler, I am delighted that the Government have relented on the video games industry, which is an important one that shares many skills with the film industry, particularly at the post-production end. Some 9,000 people work in an industry that raises around £2 billion a year, of which 46 per cent comes from exports, so I am confident that what the Government give with one hand they will get back in increased revenue. Again, we have to watch the incentives arms race. In Quebec the workforce employed in producing video games has gone up by 52 per cent in recent years. The reason for that is not unconnected with the fact that 37.5 per cent of the wage bill will be paid if a company relocates its video games production to Quebec.

Let us look at the area of television, which makes up the other half of the report. It shows quite dramatically the changes that digital has brought about. I agree with the noble Baroness, Lady Howe, that we should extend many of the tax credit benefits to television programmes that are film in genre. While I agree with what has been said about children's television and animation, I would go quite a bit further and include films that are delivered via our television screens rather than shown in the cinema.

The problem is that the world has changed and, even if we wanted to politically, the genie is out of the bottle in terms of the number of channels we have and we cannot turn the clock back to the old duopoly days when ITV was, in my view, the jewel in the public service broadcasting crown. I mean no disrespect to the BBC whatsoever, but in a way doing public service broadcasting with a licence fee to finance you is

[Lord Gordon of Strathblane]
comparatively easy. Doing it dependent on advertising revenue was the real trick that made British broadcasting supreme.

Unfortunately, having the right to broadcast by licence from Ofcom is no longer the big commercial advantage it used to be. It is very difficult to replace that. We are now driven to looking at concepts such as independently financed news consortia. I in no way resile from the committee's support for them, but I share the misgivings of the noble Lord, Lord McNally, that there are some problems associated with them. After all, if you give public money to television to produce local news, why not local radio or local newspapers? If you do it to provide news, why not children's programming or drama or countless other types of television programme? I was impressed during the debate on the Digital Economy Bill by the idea of the noble Lord, Lord De Mauley, of making this a finite investment—in other words, to tide ITV over a particularly bad spot but not for ever. I think if in a few years' time we were faced with a proposal of that nature, I would be tempted to support it.

Rather than go for intervention by grant, and although we cannot recreate the ideal conditions for ITV, it would be better if we removed some of the restrictions and inhibitions that prevent it operating more efficiently and allow it, in enlightened self-interest, to produce high-quality local news of its own accord. It is worth recalling that local news is still the most popular television programme. The trouble is that it is being done now by the BBC where it used to be done by ITV.

Free spectrum is not very important nowadays but it would be a benefit if we put some form of spectrum tax on the non-public service broadcasters, which produce very little in the way of local origination, so that they would pay some sort of tax to help those who did. The payments to the Treasury have virtually ended now but they should have ended many years ago. The balance of trade in negotiations with the independent producers needs looking at again; I am conscious that the noble Baroness, Lady Bonham-Carter, is yet to speak, so I will tread very delicately. Some of the independents are not small. Indeed, the big four or five produce about 70 per cent of the output. In terms of advertising revenue there is great scope for change. ITV should not be compelled to sell every minute of advertising revenue; I gather Ofcom is looking at that at the moment. Others have already alluded to contract rights, which I think need looking at again. Control of that should be repatriated to the Secretary of State away from the Competition Commission, which I do not think has a handle on the media at all; reference has already been made to Project Kangaroo.

I want to make two sort of related points. First, although the noble Lord, Lord McNally, had some harsh words for Rupert Murdoch, I would actually congratulate him on trying to persuade readers of the *Times* to pay for online content. It is the only way ahead and I genuinely wish him every success in doing it. The internet has grown up in such a way that everyone feels it is part of their birthright to have it for nothing. It is not. It is just another method of viewing something—one that is particularly user-friendly. Secondly, I joined this committee almost exactly a year ago. Since the first subject we were investigating was film, which is the area I know least about in the communications sector, I have more reason than most to thank very much indeed our able Clerks and advisers who helped us so much.

Finally, I join others: having observed the work of the Committee in the past and contributed to most of the debates on the reports, I greatly value the opportunity from the inside to realise just how good and effective a chairman was the noble Lord, Lord Fowler. The House is greatly in his debt.

5.10 pm

Lord Inglewood: My Lords, I begin my remarks in the same place as the noble Lord, Lord Gordon, concluded his. I have been on the Communications Committee for some time now and have enjoyed it very much indeed. The work that we did was interesting and worth while. All those people involved, both the clerks and the Members, contributed to what, for me, was a very worthwhile experience. I pay tribute, too, to our chairman, who good-humouredly wielded an iron fist in a velvet glove, thereby, I suspect, skilfully getting his own way most of the time without ruffling our feathers too much—so thank you for that.

I draw attention at the beginning of my remarks to my chairmanship of the CN Group. This is particularly significant in this context, given the blurring between web TV and conventional television and the fact that we are involved in the regional news consortium, which has been successful for the northern ITV region. In that context, as an aside, I point out that the smaller the region that any regional news consortium covers, the greater the amount of public subsidy will be necessary to make it economically viable at all.

In discussing the film and television industries, one needs to be clear about one question at the outset. Are we talking about culture as seen as a kind of public good or are we talking about business? Are these activities, at least in one way, a trade like any other? Of course, there is an overlap, but I believe that the right point to start is in recognising, particularly in this digital era, that we are talking about business. In my own case, perhaps because I have a lot of book publishing in my genes, I think that the comparison to which the noble Lord, Lord Gordon, referred—the idea that digital technology is doing for TV, film and radio what moveable type did for books—is interesting and relevant. After all, in the case of the written word, moveable type led to a plethora of new products: high literature, low newspapers, university texts, trade catalogues, great culture and populist nonsense. There was a great growth and burgeoning of output. For those activities in the TV and film industries, the business process is basically the same. You start with creativity, leading to creation, publication, distribution and consumption. The relationship between those things determines the business model that is applied in any particular case. As is so often the case in this world, there is no simple, single answer to how to do that.

The cultural component must be paid for by somebody in some way. In the case of the BBC, there is the licence fee, which is a form of compulsory subscription attached to having a television set. To use a phrase

recently deployed in the context of care for older people, it is a compulsory levy. Alternatively, as has also been mentioned, spectrum can be provided at a discounted rate or for free in return for producing something. Or you can rely on advertising.

The BBC has grown into the United Kingdom's only real global TV player, but its legal framework and place in the market here is a peculiarly British compromise. I should make it clear that I am a strong supporter of the BBC and what it does, but I am firmly of the view that it will have to evolve, probably quite dramatically. In particular—this is something that the committee touched on on a number of occasions—the current split between the operational end of the BBC and the BBC Trust is not a long-term answer.

As for the other ways in which to pay for what can be described as the cultural public goods provided by these industries, spectrum, which has been mentioned, is not worth much any more, while advertising has over recent years and months collapsed—hence the tribulations faced by ITV. We will, then, have to find other ways of paying for the provision of the things that we want to see. The fact that the regional news consortia are being directly paid is an interesting straw in the wind. We may, for better or worse, see more of that in future. However, in this context it is terribly important, as my noble friend Lord Fowler said, that there must not be a monopoly of public service broadcasting. The BBC alone cannot and should not be the only body carrying out that function.

One of the most interesting aspects of the digital era is the role of interactivity, which is why I join those Members of your Lordships' House who have commented on the video games industry. While I suspect that that industry is not of immediate familiarity to all that many of us, it is now a big and significant business in this country. That is why I was pleased that the Government, in the Budget, responded to our recommendations about the industry—the Treasury appeared to be more enthusiastic than the Department for Culture, Media and Sport.

At first blush—certainly, it was this way when I began to be interested in these things—I rather assumed that film was in many ways similar to television in business terms. Of course, that is not really the case, in much the same way as writing, producing, publishing and selling novels is very different from doing the equivalent for magazines. We all know that successful films are incredibly lucrative and, like good books, leave an important and enduring mark on our culture. However, as with good books, you cannot buy them off the shelf just like that. The creative business is a curious business.

The difficulty that the film industry faces, which has been touched on, is that its business model is distorted not only by a high incidence of risk and uncertainty but, as has been said, by the existence of subsidies that are permitted as cultural exceptions under EU and other international trade rules. I remember once asking Sir Sydney Samuelson whether he could tell me if a film was going to be a success. He said that he could not but that he could tell me the 10 films from which the successful film would come. In recent weeks, we have seen a great contrast between the financial success of "Avatar" and that of a film whose name the promoters will, I think, be glad that I have now forgotten. It starred Uma Thurman and had, I think, 38 theatrical performances; it has just closed.

In this country, we have a slightly strange set of circumstances. The Treasury seems to take a perverse view about film-making. If a film or a number of films start being made in Britain, it takes the view that the tax regime is too generous and, almost invariably, makes changes to make it more onerous. Surely the opposite should be true. After all, profitable activities always contribute more to the wider economy than unprofitable ones. In particular—this, too, has been touched on by a previous speaker—the "use and consume" provisions and the tax reliefs associated with them seem perverse. If you want to film Shakespeare's "Henry V", which is by any measure a British icon, and decide to go to France to film the battle of Agincourt or the siege of Honfleur, because you have gone to France it ceases to be part of British culture and you lose your tax relief. That is dotty; culture is not defined in that way.

This might come as a surprise to most of your Lordships, but there may be certain apt comparisons between the film industry and agriculture—I am a farmer in another life—because each, at least to some extent, has its own tax regime. The reason put forward for that, whether or not one agrees with the argument, is that each is producing public goods that otherwise will not be paid for and that, if they are not paid for, those public goods will ultimately not be available for society. The much maligned common agricultural policy—in many respects, quite rightly much maligned—is intended, among other things, to establish a regime of equivalence across the European Union. That is a sound idea because, as the noble Lord, Lord Gordon, said, we need to have in place mechanisms to ensure that countries do not engage in bidding wars for subsidies while hiding behind the fig leaf of culture.

I have been talking about supply and I now wish to discuss demand. Film and television, like many other media products, enjoy a huge range of different delivery or distribution systems. Increasingly, at their heart there will be congruence via the binary code of digital technology. The bottom line is that there are now about 1.4 billion users of the internet. Physical location is less and less an identifier of demand. In the future there will be huge demand for good material—even more than there is now. That, of course, is why intellectual property is so important and why, as was said earlier, the protection of intellectual property rights is important. Unless people gain a reward for their creative work, they will not do it and things will not happen. I am partly convinced that the Digital Economy Bill will get this right because it matters to the future of the creative industries that piracy problems are resolved.

The biggest advantage that our film and television industries have—although it is also a threat—is the fact that across the internet the common denominator is the English language. We should not forget that and we should always try to use it to our advantage rather than see it as a threat coming from the United States or elsewhere. Those who are involved in these businesses must decide whether they will try to create a niche or a

[Lord Inglewood]
general product, just as those involved in hard-copy media must do. All the evidence suggests that there will be massive demand for media products, including film and television. We know—this is commented on in our report—the extent of that in the UK economy, but how much more will the future bring? In simple terms, it seems to me that we must allow the laws of supply and demand to carry this forward in the context of a free and fair marketplace. Of course, we cannot necessarily allow that market to work in a purely mechanistic way, because certain aspects of film and television—and what will evolve from them—are public goods. If part of the working of this marketplace destroys or degrades aspects of that, society will have to find ways to pay for what it wants. I suspect that that may involve direct payment rather than excessive regulation.

As a nation we have been in the vanguard of film and television since their birth. They and their successors will become ever more important in our society, both economically and socially. There are great opportunities to be grasped. This country should set out its stall to be a fertile seedbed for creativity, with finance and trained people being made available. If we can have, against that background, policies of hands-off encouragement, I believe that great national benefits will be achieved.

5.23 pm

Viscount Falkland: My Lords, I intrude in the gap in this riveting debate to say a few words about film distribution, an aspect of film that has not been overemphasised in your Lordships' debate. I think that the noble Baroness, Lady McIntosh, said most clearly that we have much talent bubbling in this country. However, that talent lies not just in our performing artists but at every level, and film gathers all the talents. Young people are dedicated to becoming film-makers. They gather groups around them and get a bit of money by mortgaging their houses. They do the preparation for the film but, ultimately, they cannot get it distributed. Distribution is absolutely essential. People talk about funding production. However, if you have a good story and somebody who can get big American money involved, production is not so difficult. What is really difficult is to get the film into cinemas. The only way in which you can do that is through distribution. It is rather like books; if you write a book but do not have a publisher, no one will read it.

It is not quite as grandiose to start a distribution company as the noble Lord, Lord Gordon, said. It can be done. It is expensive—companies have to lay out a lot of money to gain the rights to distribute films—but we have recently seen an encouraging piece of good news. Curzon Cinemas was an exhibitor, as those of your Lordships who have been into its comfortable cinemas will know. It has acquired Artificial Eye, one of the surviving distributors of world cinema in this country. It has the interesting idea—probably from Philip Knatchbull, the son of Lord Brabourne, who contributed so much to our industry—of doing everything in one group. It shows films in its cinemas, produces films and distributes them. Furthermore, it has had the wonderful idea of getting together with HMV record stores, which are interested because they usually have spare space where retail is beginning to decline. They now have two or three small, 60-seat cinemas where they can show, alongside a mainstream film, either an interesting independent production in world cinema or a British film that cannot get distribution. This is an important development and I hope that the Government will take notice of it.

I tried in this House many years ago to persuade the Government not to use lottery money to produce films. The slate of films made via the Arts Council that never got distribution bears out my argument. I hope that the Government will take notice of this new development. They will see that for taxpayers' money—public money—to be well placed, this needs much more serious investigation. The path that Curzon is going down—and taking that path seriously—could be the shot in the arm that our industry needs.

5.27 pm

Baroness Bonham-Carter of Yarnbury: My Lords, I congratulate the right reverend Prelate the Bishop of Gloucester on his interesting maiden speech and on being the father of four girls. Like the noble Baroness, Lady McIntosh, I, too, am one of four girls. It is a good thing to be.

I also thank the noble Lord, Lord Fowler, for being such a wonderful chair of not only the Communications Committee but also the BBC Charter Committee, which I also sat on. I thank the clerks, special advisers, committee specialists and the one member that has been through the whole process, committee assistant Rita Logan, for everything they have done. I also thank the Minister, who has politely found so many different ways to disagree with me over often the same point, which I kept bringing up in our various debates. Occasionally he would agree with me, which was nice. I am not sure how appropriate it is, but I take the opportunity to thank him and his officials for the constructive approach they took to that section of the Digital Economy Bill that I was involved in, pertaining to television. Like the noble Baroness, Lady Howe, I hope that it survives the wash-up.

A great deal of what I want to say has already been said so I will be brief. The British film and television industries have a lot to be proud of as major contributors to our creative economy and a valuable means of representing Britain to the world. They provide employment and, as the noble Baroness, Lady McIntosh, said, the people they employ are a great national asset. While we politicians languish at the bottom of the popularity charts, actors, presenters, directors and producers are lauded as national treasures. As our report and everyone who has spoken today point out, both industries are facing huge challenges, due largely, in ways that affect them differently, to the internet.

It is interesting that, in all those futuristic films and television programmes—my noble friend Lord McNally mentioned "Dr Who"—no one predicted the internet. By now, we would have colonies on Mars; talking, walking robots; and man-eating plants. One of the greatest sci-fi films of all time, Stanley Kubrick's "2001: A Space Odyssey", had a murderous computer called Hal, but not one that connected individuals in

the way that the internet has, thereby affecting the future and very existence of industries that until a few years ago thought they had a watertight financial model. As one of our witnesses, Charles Sturridge—who at the age of 28 directed "Brideshead Revisited" for ITV and was given the time and money to do it over 11 episodes—put it, we are,

"a generation of cavalry officers trying to work out tank tactics".

We are moving from one system to another.

I will start by talking about the British film industry. As others said, the Government are to be congratulated on the tax credit system that they introduced in 2007. However, I agree with the noble Lord, Lord Inglewood, that there are problems with it. We on these Benches are concerned that the narrow definition of "UK expenditure", which applies only to money spent within the UK and not on UK elements abroad, has had negative consequences, in particular for co-production deals. Co-production deals are more often than not vital to secure sufficient capital for lower-budget and independent British films. However, this often means British talent making what are clearly British films abroad, as the noble Lord, Lord Inglewood, said. The present definition of UK expenditure makes it hard for such films to achieve the requisite UK spend for tax relief. We agree with the report that there should be a change to the "used and consumed" provisions that would extend the tax credit to production expenditures overseas. We are disappointed at the Government's response in acknowledging simply that this is something to look at. The change would chime with the DCMS's original stated aim for the cultural test—namely, that:

"The flexibility of the new system will allow producers to clock up points if they use UK content, facilities and personnel, but is not intended to penalise them if they look to source some of their film making outside of the UK".

For television, the new world brings with it problems for the old. Broadcasting has historically made a hugely important contribution to the British creative economy. The inspired creation of the BBC, followed by ITV, BBC2 and Channel 4, has played a crucial role in sustaining and fuelling British creativity. The creation of Channel 4 and more recently the changes in TV terms of trade have seen remarkable growth in the independent production sector. Britain currently exports more than 53 per cent of the world's TV format hours, while the UK is only 6 per cent of the global market. However, I recognise the point made by the noble Lord, Lord Gordon, about the size of the independent sector.

We all know that British broadcasting has reached a critical point; the transition from one age to another, from the analogue to the digital. The statistic that is most relevant to today's debate about British content—my noble friend Lord McNally brought this up—is that the five terrestrial channels that are universally available and free are responsible for about 90 per cent of the investment in UK-originated content, while the new players, the digital channels and the internet, contribute less than 10 per cent. This is despite the fact that together they receive two-thirds of the income coming to UK TV. The British creative industries need our public service broadcasters. We must protect the BBC. We on these Benches strongly welcome the Digital Economy Bill's commitment to, and explicit support for, Channel 4. The recognition of the need to update its remit will help to secure its role as the main public service competitor to the BBC.

As the noble Baroness, Lady Howe, and my noble friend Lord McNally, said, an essential element to ensuring a healthy future for the BBC and public service broadcasting is competition. Currently Channel 4's remit relates only to linear TV and ignores the growth of digital media. We welcome the Digital Economy Bill's extension of this to new formats and platforms, where the channel is already pioneering PSB. We also welcome the new obligation placed on Channel 4 to produce content for older children and young adults, and the fact that a commitment to the making and showing of British film is enshrined in the Bill. However, it is very important that these new arrangements do not lead to any diminution of PSB on Channel 4's main terrestrial channel.

An essential element to the continued success of the British television industry is its public service broadcasting, but it must not be relegated to digital channels with small niche audiences. We have seen with the expansion of the BBC into digital channels some great new PSB programming—indeed, through BBC4, a whole new channel of it. However, I am concerned that the BBC is increasingly using the existence of these digital channels, whose audiences are tiny compared with those of a terrestrial channel, as an excuse not to commission programmes for the channel that they should be on—namely, BBC2. For instance, Michael Cockrell's latest series, "The Great Offices of State", was broadcast on BBC4. It should have been on prime-time BBC2.

As noble Lords who took part in the Digital Economy Bill will know—although they did not agree with me—we on these Benches are concerned about Channel 4 being allowed to produce PSB programmes, or online content, in-house, provided that it is not for the main channel. We worry that this could have negative consequences for the independent production sector. We support the idea of independently funded news consortia to provide regional and local services. We cannot understand the Conservative Front Bench's commitment to scrapping them, which will simply leave the BBC as monopoly suppliers—something that I thought none of us wanted.

Finally, many noble Lords have mentioned training. The fact of the gap between demand and supply emerged very strongly from our inquiry. I was told of a post-production house which hired 60 people between July and September last year, half of them from abroad—at a time when jobs, particularly for graduates, are so scarce. Mr Bullough from Aardman Animations, which makes Wallace and Gromit films among other things, told us:

"We probably take more graduates from Superinfocom in France and from the Filmakademie in Ludwigsburg than we do from UWE"—

the University of the West of England—

"which I could walk to from my office".

Aardman tried to set up an academy in Bristol, in partnership with local universities, to plug this skills gap, but found that the nature of higher education funding meant that it made no financial sense for it to do so. What a missed opportunity.

[Baroness Bonham-Carter of Yarnbury]

At a time when the Chancellor of the Exchequer has admitted personal experience of youth unemployment through his son, the Government should listen to what employers want and need. We hear often—this was touched on by the noble Baroness, Lady Howe—about the decline in the take-up of sciences at school. The post-production and games industries are experiencing a skills shortage. If boys and girls were told that if they took maths and science they could end up making video games or doing special effects for Harry Potter, I am sure that things would change. Kate O'Conner of Skillset told us that,

"there is a blockage in the system, to get that careers information through the schools, about the range of careers and kinds of skills people might need ... We need to make sure that people understand".

In conclusion the question posed was about decline or opportunity. I will quote my old friend Charles Sturridge again:

"What is exciting from the point of view of the creative originators ... is that ease of access to the audience, which offers enormous opportunity to those people who create content".

We must nurture and back those people who create content—and protect them. The old joke that the BBC would be an efficient, well oiled machine if it were not for the pesky programme makers is not the way forward.

5.39 pm

Lord Luke: My Lords, I, too, congratulate the noble Lord, Lord Fowler, and the Communications Committee for this comprehensive and thought-provoking—and, I fear, a little worrying—report into the British film and television industries.

First of all, like other noble Lords, I congratulate the right reverend Prelate on his excellent maiden speech, and suggest he might like to join the Tourism Group—the Gloucestershire section.

Lord Davies of Oldham: I thought you were going to say the Tory party.

Lord Luke: Why not?

As many noble Lords already know, the film and television industries make a significant contribution to the British economy. The combined workforce of these industries is more than 110,000 people, including actors, directors, producers, reporters, cameramen, animators and make-up artists, as well as staff in post-production studios and special effects, and those working behind the scenes, ranging from electricians, plasterers, sound technicians and researchers to name but a few.

In 2008, British films accounted for around one-third of the British cinema box office and generated overseas earnings of more than £1 billion. In addition, British television companies like the BBC, ITV and Channel 4 also made a significant contribution in 2008. The total revenue from the international sale of UK television programmes and associated activities was almost £980 million, while BBC Worldwide's overseas revenues amounted to around £430 million and ITV's overseas revenues to around £150 million.

However, the report rightly identified that both industries face very serious challenges to their sustainability in the future, particularly in the context of the current global recession. There has been a steady drop in the level of original content produced in the UK. This is obviously most concerning. What action are Her Majesty's Government taking to ensure that public service broadcasters and UK-based film-makers maintain investment levels to avoid stifling this sector altogether? The level of children's programmes produced in the UK in particular has seen the greatest falls in expenditure. Why is this and what steps are being taken to improve this sector? Arguably, one of the other main problems faced by the commercial sector can be traced to the fall in advertising sales and the growth of competition from the internet. This has led to a decline in the amount of money devoted to original British material. What are Her Majesty's Government doing to address these important issues?

Does the Minister agree that our educational system has a vital role to play in the future success of these industries? The UK is and has been for a long time well known for its reputation for producing highly skilled workforces in these sectors. However, representatives from Warner Bros. and Aardman Animations both stated in their evidence to the committee that the education system in the UK is not delivering the graduates they need and they had to recruit from abroad.

Is the Minister concerned, as I am, that the overall British workforce in these sectors has declined by 33 per cent since its peak in 2003? What measures are being taken to provide opportunities and greater job security for British workers in this sector? What steps are being taken to close the gap between the industry and the education system to ensure that we produce the skilled graduates we need to maintain the UK's position as a global leader in these fields? The report states that, in particular, apprenticeships and internships are "under-used and uncoordinated". What is being done to help provide better structured careers for this industry?

Linked very closely to this issue, Kate O'Connor from Skillset commented that:

"It does concern us that, overall … we have now 50 per cent of the fund that we had last year, with a growing list of skill requirements and a real need to prepare for the future upturn".

What action are Her Majesty's Government currently taking to ensure that sufficient funds are available to safeguard the future competitiveness of the UK television and film industries?

The report highlighted that another big challenge facing the UK film industry in particular has been that the distribution and financing of movies—dominated, as always, by the big American studios—has led to intense global competition to persuade producers to make their films in particular countries. What measures does the Minister believe are necessary to help the British film industry take a larger slice of the revenue generated from this lucrative field? Also, given that the UK's three largest film studios are based in the south-east of England, what measures have been taken to encourage the development of other studios across the nation?

Two other significant threats to future success and increased revenue for this sector are audio-visual piracy in the form of illegal file-sharing or camcorder crime. The committee believes that the Fraud Act 2006 is unclear, provides an insufficient deterrent to abuse and is inadequate to tackle increasingly sophisticated camcorder crime. Does the Minister have any plans to amend this legislation to provide a clear and sufficient deterrent?

It is clear much needs to be done to help these two industries overcome the significant problems they are experiencing and will face in the future. British film and television companies need help to develop and expand so they may be sustainable, and benefit employment and overseas earnings as well as adding to our national reputation for excellent and innovative production. We cannot afford to miss the potential opportunity to grow and prosper off the back of our creative industries. The Minister must seriously consider ways in which to support and encourage these particularly vulnerable UK businesses.

5.46 pm

Lord Davies of Oldham: My Lords, I am grateful to all noble Lords who have participated, and particularly to the noble Lord, Lord Fowler, for introducing this most timely debate. He does not need any encomiums from me as he has received plaudits from his colleagues on the committee on all sides. We know the value of the committee's work and have seen it on a number of occasions.

The debate has also been graced by the maiden speech of the right reverend Prelate the Bishop of Gloucester. He mentioned his colleague, the right reverend Prelate the Bishop of Manchester: he was not missed at all in this debate. Although we might have thought we would miss him because of his very significant contributions to the work of the committee and all previous debates, as I recall, the right reverend Prelate the Bishop of Gloucester filled his position ably—though his geographical references were slightly different to those which I am quite sure his colleague would have introduced to the debate.

I was grateful to the right reverend Prelate for commenting on the question of regional and local news. He will know that the Government have clear proposals with regard to the independently funded news consortia which are directed towards meeting what we all recognise as a very real difficulty for broadcasting in the foreseeable future. My noble friend Lord Gordon indicated that he was not sure whether that was a permanent solution to the position. It is indeed the Government's position. We want to see pilots developed; we want to experiment and see how the market responds. I agree with my noble friend that this development has to be watched with care, but unless we do some pump-priming in this area and make some progress, the decline in television which we have all appreciated and has been reflected on by a number of contributors to the debate this afternoon will continue. We need to direct ourselves towards that.

This is one answer to the battery of questions which the noble Lord, Lord Luke, produced on behalf of Her Majesty's Official Opposition. On the day a general election is announced, to subject the House to nothing but a withering load of questions and not a single suggestion as to what on earth the Conservative Opposition might do if ever a calamity occurred and they were returned to power is testimony to the fact that the constructive responses in this debate have come from his Back-Benchers, other parts of the House, and also, as I hope I will be able to identify in these terms, from the Government.

The committee is all too well aware of the profound technological and cultural changes in the media landscape over the past two decades. We are moving swiftly from the analogue to the digital world and film and television now operate in large multimedia markets which throw up a whole range of questions that we need to address. The fundamental question, of course, is that asked by the committee: is this a decline or an opportunity? In many parts of the House it has been identified as an opportunity and that is certainly how the Government respond to the challenges that we face. There is no doubt that those challenges are very significant but, during the course of the debate, issues have been identified and some recognition has been made of the way forward based on actions which the Government have taken.

I have already mentioned the independently funded news consortia, which are a very important dimension. The other issue, mentioned by the noble Baroness, Lady Howe, is the anxiety about children's television, which was widely reflected in other parts of the House. I reassure the noble Baroness that the Digital Economy Bill is going through its Second Reading in the other place as we speak. It will come to this House on Thursday, when we shall have the opportunity of ensuring that the positive parts of that Bill on which there is agreement—she reflected parts of that agreement today, as did other noble Lords—will become law, if Parliament so decides in the limited time available. The virtue of the Bill is that it gives some plurality and provides competition for the BBC by supporting Channel 4 in its crucial role of public service broadcasting. The Bill will play an important part in that and it will help as regards children's television. The noble Baroness, Lady Howe, will know that my noble friend Lord Young has written to members of the committee on safeguarding children from material on the internet which might do them harm, and so on.

The issue of tax credits has been raised in relation to support for children's television. We are not against tax credits in principle, but we want to see the impact of the video games tax credit, which was reflected by the noble Lord, Lord Fowler, in the first instance and by a number of other noble Lords who commented favourably on it. I noted that there was a slightly grudging response to tax relief in that regard, but this is an important illustration of the way in which help can be given in what, as the noble Lord, Lord Inglewood, indicated, is an important part of the general economy of broadcast content. Video games are a special instance, but we shall look at the progress of the tax relief offered to them to see whether that might transfer across to other parts of broadcasting. Noble Lords have sought incentives which might give aid to what we appreciate are problems with the quality and provision of children's television at present. Although I cannot

[Lord Davies of Oldham]
commit the Government to this issue of tax credits, we shall look at the development of the tax credit in regard to another area to see whether we can provide answers there too.

The noble Baroness, Lady Bonham-Carter, and the noble Lord, Lord Inglewood, spoke about tax relief. The noble Lord, Lord Inglewood, will know that we have to tread carefully in this area and the noble Baroness, Lady Bonham-Carter, will know the position, because we debated the issues at the time. The noble Lord will recall that, prior to 2007, the danger was that the old tax system for the film industry did not reward film producers but the financial interests that benefited from using film as a way of reducing taxation impost. That is why we need to address this issue, but we have to take care with regard to film tax relief. We are working with the UK Film Council to gather evidence so that we can get a clearer picture of the effects of the new tax relief criteria before we consider any changes. As noble Lords have indicated, and as the report of the noble Lord, Lord Fowler, indicated, the areas in which the changes have been operated since 2007 have already had some beneficial effects.

In answer to the noble Lord, Lord Luke, action has already been taken and it presages action for the future, when we are in a position to take that additional constructive action. Once again, that is an answer to his question, rather than anything else—except a failure to respond. Of course, I am concerned about the points raised on all sides, but raised first by the noble Lord, Lord McNally: he was drawing on the insights from the report about the necessary investment in film. His concept on how the City might be approached in more direct terms, with regard to support for the film industry, is an important one. We probably know why that has been assumed in the past, with the City being more concerned with what it often regarded as safer bets than perhaps aspects of the film industry.

However, the creative industries are making their mark. Around us we are seeing a decline in certain aspects of our economic life, but, as the noble Baroness, Lady McIntosh, said, the creative industries have shown very considerable health and growth in recent years. Therefore, we need to seek opportunities for investment and the thoughts of the noble Lord, Lord McNally, formed an extremely constructive suggestion.

That leads me on to a major feature of this debate and one contained within the report. The debate has followed the report in a great deal of detail for the obvious reason that the report is so comprehensive. The other great area on which all noble Lords were emphatic was skills and training. We need to meet the enhanced skill levels that the industry requires, and testimony was given to the committee of the failures in certain limited aspects of all the skills of graduates in this country. It would be a little better if the party opposite encouraged its Back-Benchers, and even perhaps some of its Front-Benchers, to talk a little less disparagingly about media studies and those degrees which do not fit into the traditional pattern of the more established universities. They should recognise that media studies and issues revolving around the creative economy require our higher education system to ensure that it produces courses which are relevant to the employers of today. That means that we have to put greater emphasis on some skills.

I was conscious of the point that the noble Baroness, Lady Howe, also emphasised with regard to the imbalance between the sexes in terms of employment in this area; too few girls are adequately equipped in this respect. I remember, to my great distress, that when I chaired the funding council concerned with the further education colleges and we were concerned with skill levels, it did not matter what kind of engineering skill was needed—even the cleanest form—to provide the technical back-up and technical product for the media industries, the courses were overwhelmingly dominated by male undergraduates. We were not successful even in the areas of the most attractive engineering—and least demanding in physical terms—where there was no reason at all why women should not play the same role that men played; the imbalance on those courses was very pronounced. We need to make a great deal more progress in this area, and I was most grateful to the report and to the speakers in the debate for the significant emphasis that was placed on the skills agenda.

There was an issue raised about the question of the merger of the UK Film Council and the BFI; the noble Baroness, Lady Eccles, spent a great deal of time in her speech talking about this important matter. We are clear that we want to see a new board that retains the knowledge of the BFI and the UKFC but delivers fresh perspectives in a challenging world. We certainly want to retain the powerful brands possessed by both those existing organisations, but it is important that we realise the advantages of the two coming together to produce a single brand on behalf of the new body. This seems to us a potential step forward in what all noble Lords have emphasised is a very competitive world.

The noble Viscount, Lord Falkland, emphasised the issue of distribution—a point that was also identified as a very great difficulty for the British film industry. We can be creative with regard to the production of films; our problem is so often getting the resources to ensure that they get effective distribution. We all know that in the UK, for obvious reasons in terms of resources and scale, we have never been able to match the vertical integration of the vast industries of the United States. It is important that we look at the question of what kind of investment we can encourage with regard to distribution, but it is a tough nut to crack and one that conditions some aspects of the relative success of the film industry.

One other aspect came up, which I emphasise noble Lords will have the opportunity to debate—I imagine all too briefly—later this week as we give our support to the Digital Economy Bill. The point that was raised by a number of noble Lords concerned the essential issue of intellectual property rights. The Bill represents a very significant dimension in those terms. We will not see the development of film and television products if those who produce them see very limited rewards because of instantaneous transmission through piracy.

The noble Lord, Lord Fowler, although not too many of his colleagues followed him down this path, referred to Project Kangaroo and the extent to which

the Secretary of State might have looked at the merger which was being discussed under that general heading. I emphasise that it was not a question of reluctance on the part of the Secretary of State to intervene; it was the lack of powers to do so because of the way in which competition law is framed. That is why, when the Competition Commission reached its judgment, it was not the role of Government to intervene.

Once again, I join those who have paid tribute to the noble Lord, Lord Fowler, for his leadership of the committee, which has produced a most constructive report. As ever, the report identifies areas of very great challenge, as far as government is concerned, and for those concerned with the industry too. It is quite clear, however, that action is being taken in certain crucial areas with regard to this already, which has been generously identified and recognised in the debate. The Government look forward to the additional challenge as soon as the small interlude of the general election is over.

6.06 pm

Lord Fowler: My Lords, I think we will ignore that last point. This has been a good debate. I just correct the noble Lord on one point; all my colleagues follow me on the inadequacies which were shown by Project Kangaroo. I congratulate the right reverend Prelate the Bishop of Gloucester on his maiden speech. The right reverend Prelate the Bishop of Manchester made a great contribution to our committee. In our review of the BBC, the future of "Thought for the Day" provided some of our more diverting moments during that committee and a triumph—if I may say so myself—for my chairmanship, by getting agreement from the right reverend Prelate the Bishop of Manchester and the noble Lord, Lord Maxton, on the Back Bench, who does not altogether share his religious views, on this. I can see that the right reverend Prelate the Bishop of Gloucester is a great recruit to what I hope will be the new committee.

I thank everybody who has spoken in this debate: the noble Baroness, Lady McIntosh, who underlined the importance of these industries and also the British actors and directors and the contribution they make; the noble Baroness, Lady Eccles, who pointed out how the tax system could be improved further; the noble Earl, Lord Glasgow, with his experience, who surveyed the history of the British film industry and the difficulties of financing—a similar point was made by the noble Lord, Lord Gordon, who again emphasised the funding problems and the "international incentives arms race" which is a memorable and very descriptive phrase to describe it; the noble Lord, Lord Inglewood, who, with all his experience, warned against a BBC monopoly in regional news and the noble Viscount, Lord Falkland, who came in right at the end of the debate.

I also thank the Front-Bench speakers, who set out their rival stalls. There was, encouragingly, much more agreement between them than one might have thought. The Minister was not exactly correct when he said that we were grudging about the Government's admission on tax credit for video games. We supported that; we wanted to see it extended to children's programmes. I think there is a strong case for that.

Finally, I particularly thank two of the crucial supporters in the setting up of this committee; the noble Lord, Lord McNally, the leader of the Liberal Democrats, and the noble Baroness, Lady Howe, whose persistence finally triumphed. Many of the members of this committee will now stand down—all that we hope is that this committee has now established itself and that it will continue after the election, whichever party happens to win that election.

Motion agreed.

Statement of Changes in Immigration Rules

Motion to Resolve

6.09 pm

Moved by ***Lord Avebury***

To resolve that this House regrets that Her Majesty's Government have laid before Parliament the Statement of Changes in Immigration Rules without providing an impact assessment or full consultation responses and notes with concern the risk that Parliament may lack the ability to assess the significance of the concerns that have been expressed by the education sector about the policy changes made in the rules.

Relevant document:11th Report from the Merits Committee.

Lord Avebury: My Lords, I hope that I will not be accused of putting a withering load of Questions on the last day of Parliament by the Minister who will answer this debate, as the noble Lord, Lord Davies of Oldham, accused the Conservative Front Bench of doing in the previous debate. It is unfortunate that there are a lot of questions to be answered on the Statement of Changes to the Immigration Rules, but it is not my fault that it comes up on the last day of this Parliament. As I shall attempt to illustrate, that is a product of the whole sequence of events that led up to the changes that affect tier 4 of the Immigration Rules under the points-based system, dealing with non-EEA students, and the changes that they provide are intended to make it harder for students taking courses at lower than degree level, whether they are genuine or not. The matter reaches us on the last normal day of this Parliament by the most extraordinary and irregular process, as I shall attempt to explain.

The context is the concern expressed, notably by the Home Affairs Committee of another place, about the prevalence of bogus colleges and the number of pretended students who were getting into the country before the points-based system was introduced. The committee found that 2,200 colleges formerly on the register of education providers either did not apply or were not accepted for the new register of sponsors, but it was also told that tens of thousands of illegal entrants might have got in under the old system. There were reasons to suspect, also, that insufficient checks had been made on the remaining 1,600-odd colleges and that leaving approval of colleges largely to accrediting organisations of varying competence and reliability

[LORD AVEBURY]

was not the answer. A review of those organisations was being undertaken, and I hope that we shall hear from the Minister what conclusions it reached.

According to UKBA's November 2009 document, *Simplifying Immigration Law*—a misleading title when you consider that the rules dealing with the points-based system alone occupy 44 pages of 10-point type—a minimum of 12 weeks is usually allowed for external consultation on changes to the rules, and impact assessments and equality impact assessments may be produced, depending on the nature of the changes.

The National Audit Office states that the Government are committed to conducting formal impact assessments of the need for and impact of new regulations. They are said to be mandatory for all government interventions that impose costs on businesses, as this statement definitely does. However, in this case, an IA was conducted when it was far too late for it to have any practical effect. The IA, which stems from the tier 4 general review, encompassed the changes in the present statement and in HC 439—yet another statement, which was produced a couple of weeks ago, which we are not dealing with today.

That may explain why, although the Merits Committee was told in February that the IA would be published "in a couple of weeks", the deadline was amended almost instantly to some time in March and now, coincidentally, to this very day. Your Lordships may think that it might not have appeared at all until after the dissolution if this Motion had not been tabled. The Merits Committee,

"questions the policy development merit of completing an IA after an instrument has already been laid, let alone having come into effect. The House may wish to satisfy itself that UKBA has followed the Government's own policy on the use of IAs in this respect".

We look forward to the Minister's response to that comment and to the Merits Committee's report in general. That is not the committee's only complaint. There is no separate equality impact assessment, as there should be for provisions that have a differential impact on married students, for example. Marriage and civil partnership is a protected characteristic in the Equality Bill, which is about to become law, and the Home Office may be in breach of the public sector duty under Clause 1 that it should,

"when making decisions of a strategic nature about how to exercise its functions, have due regard to the … desirability of exercising them in a way that is designed to reduce inequalities of outcome which result from socio-economic disadvantage".

Clearly, inequalities of outcome between single and married students result from socio-economic disadvantage which are being aggravated by the rule changes.

I understand from talking to a Home Office official that the equality impact assessment had been conducted in parallel with the IA, and was to be published with it today. I received it at seven minutes to three o'clock, so I have not had time to study it in great detail, but it states that there may be negative effects on equality, but that will be because they arise from strong policy reasons. It then considers individual types of equality and states that, in fact, no impact arises. How can those two statements be reconciled? There is no point in carrying out these exercises if the Home Office sails on merrily with an order and does not give Parliament concrete assurances, which I now seek, that the matters raised in the EIA, including those regarding any of the protected characteristics, will be addressed: to begin with, in a Written Statement, and, if necessary, as soon as the opportunity arises, by an amending statement of changes.

On consultation, the Prime Minister announced a review of tier 4 on 12 November last year. On 17 November, some, but not all, of those concerned received e-mailed letters containing the questions and a 10-day deadline for replies. In its reply to that so-called consultation, the UK Council for International Student Affairs (UKCISA), which also gave evidence to the Merits Committee, stated that it was,

"quite extraordinary for this review to be commissioned and undertaken in little more than three weeks which has given us no proper time to canvass views from our members".

The Independent Law Practitioners' Association (ILPA) states that it was notified verbally about consultation on 25 November at a meeting of the Employers Task Force, but received the questions only on 30 November, after the closing date of 27 November. It submitted its observations on 4 December.

Universities UK told me that it had 24 hours to deal with the highly trusted sponsor details, which were of particular concern to its members. The proposals on the highly trusted sponsor scheme do not appear to be covered by the order, although there is a definition in HC 439, and the scheme itself was published on the UKBA website on 22 March. UKBA told the Merits Committee that 17 sector organisations submitted evidence for the tier 4 review and that more than 300 representations were received from individuals, education providers and related businesses. That is a remarkable score when you look at the timetable. It said that it was not publishing any analysis of those responses because the consultation was not formal. What sort of consultation was it and under what circumstances will such consultation be conducted in future?

The Government's code of practice on consultation prescribes that:

"Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible … Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation".

The code provides that Ministers should have discretion not to undertake a formal consultation exercise, but was ministerial authority cited for the decision in this case, and was any reason given for the "challenging and tight timetable", as it was described in UKBA's letter of 17 November, or for the failure to analyse the responses? In every respect other than timetable, it looked as if it was a formal consultation. If the reason for the haste was to ensure that the process was finished and the statement agreed before the election was called, the Government should have said so at the time. Will the next edition of the code state that Ministers can declare a consultation not to be formal when the only reason for that is to avoid the 12-week obligation?

Speaking about immigration policy last week, the Prime Minister said,

"how we conduct this debate is as important as the debate itself".

We can all agree with him on that, but that statement does not stack up with the arbitrary suspension of 60 colleges in the panic of last November. Can the Minister confirm that all but two of them were subsequently restored to the register and the Prime Minister's statement last week that, altogether, 140 colleges were stopped from bringing in non-EU students last year? How many of those were later reinstated, and does not fairness require that investigation of alleged abuse precede rather than follow suspension? What rights of appeal do colleges have against their suspension or removal?

What debate was there before the stopping of all applications under tier 4 from south China, north India, Bangladesh and Nepal from 1 February this year, and is that ban still in force? What was the evidential basis for the decision, apart from an unquantifiable increase in the number of applications at each of the three posts? Where has the UKBA got to with the investigation that was announced as to whether or not the applications at these posts were genuine?

The next thing that happened was that on 7 February the Home Secretary announced on BBC TV that the changes in this statement were to come into immediate effect, though of course that was not true as they had not been through the parliamentary negative resolution procedure that is required by law. Parliament was not told about them until Mr Johnson made a Written Statement the following Wednesday. Why did he not then correct the misinformation that he had given to Andrew Marr and his hundreds of thousands of viewers? As to the substance of the changes, the Prime Minister, speaking in Islington last week, said that,

"we need to be tougher on those who want to come under tier 4 and who are studying low-level qualifications, and tougher on bogus colleges".

From a document entitled *Tier 4 Sponsor Recruitment Practices* and marked as a draft, "not for wider circulation", sponsor institutions are being required to undertake a variety of checks on an applicant before issuing a confirmation of acceptance for studies. Looking at the passport to see whether the applicant has been refused leave to enter in the past, verifying the qualifications which are presented with the issuing institution and assessing the difficulty that a candidate may have in adapting to life as a student in the UK, are three examples of good practice in this 21-page document. In the case of the HTS scheme, some of the tests, which are only recommended for institutions of further education generally, become mandatory, raising acute concern for Universities UK. For the rest of the sector, there is uncertainty about the tests they will need to apply, and that really does need to be clarified.

More generally, the providers do not like the way that these changes transfer the responsibility for immigration control from the UKBA, acting on behalf of the Secretary of State, to educational institutions, and impose severe penalties on them if they fail to carry out enough of the 21 pages of tests or if more than a small proportion of those granted certificates of approval go absent or fail to complete the course. In the case of the HTS scheme, following a meeting with UUK on 1 April, UKBA has undertaken to review these arrangements and come up with amendments by 15 April, yet a further illustration of,

"the inadequate and incomplete consultation on the proposals with the university sector",

which has resulted in what the UUK calls,

"poor quality and unclear documentation".

What I would like from the Minister as the outcome of this debate is a review of the tier 4 arrangements as a whole in the light of the impact assessment and in full consultation—which did not happen before—with the stakeholders; and an undertaking equivalent to the one given to UUK that amendments will be made to cover the valid objections that have been made. Above all, I am looking for an assurance from the Minister that if the present Government are re-elected on 6 May, they will never again try to push through material changes to the Immigration Rules affecting people and institutions without any of the safeguards that exist to ensure informed parliamentary scrutiny and to prevent flawed legislation. I beg to move.

Viscount Bridgeman: My Lords, I thank the noble Lord, Lord Avebury, for bringing this Statement of Changes in Immigration Rules on to the Floor of the House. The issues that he raises are very significant and we are in agreement on most of them.

Immigration is a very controversial and sensitive topic and we must get the balance right. Running incomplete statutory instruments through this House, which is essentially what we have before us today—with an impact assessment delivered approximately two hours before this debate, and without full consultation responses—is unacceptable, especially in the knowledge that there have been voices of concern in the education sector about the rules this statement will change. Furthermore, the Merits Committee rightly points out in its 11th report that it feels,

"unable to take an informed view of the policy development processes behind this statement".

I have the same reservations from these Benches.

As we all know, the Statement of Changes in Immigration Rules is being made to tighten up border controls through tier 4, which include but are not limited to implementing a new restriction on the amount of work that can be carried out by students below degree level, and further restrictions on family members of some students. A linked change is to be made in guidance, although not included in this statement, which will require all students below degree level to demonstrate an existing level of English language at just below GCSE standard. The aim of the review by the Merits Committee was to assess whether the suggested policy changes to tier 4 strike the right balance between facilitating the access of genuine students to education in the UK and preventing abuse by economic migrants. As already stated, the committee could not reach a conclusion, and I am in agreement with the stance that it was forced to take.

I do not support the approach that the Government took in the first instance in regard to the handling of student visa immigration loopholes, and I do not believe that this statement will make the situation any better. The student visa system has been the biggest hole in our border controls for a decade under this Government, and the Government still seem to be stumbling around trying desperately to mend their mistakes. We on these Benches are fully aware of the

[Viscount Bridgeman]
scale of the serious problem involving the abuse of student visas for immigration purposes, while understanding the need to encourage and welcome the brightest and best students to come to the UK to study. We need those who can contribute to the revitalisation of our knowledge-based economy.

However, the Government's immigration policies have failed time and again to address the real problems, while the new English language requirement threatens the existence of hundreds of legitimate businesses. This is the point that the noble Lord, Lord Avebury, has made well. The results of this review include increasing the minimum English-language requirement. This has serious consequences for genuine language schools. If the Government were to adopt this change it could in effect close every language school across the country.

The English language industry is worth £1.5 billion annually in foreign earnings to the UK economy. We should be encouraging legitimate foreign students to come here to learn English, and the Government should not make blanket, knee-jerk regulations that could seriously damage that industry. A number of bodies have voiced their concerns. English UK and Study UK, for example, are unhappy about raising the bar for English language students. They are concerned that publicly funded bodies are likely to have HTS status by default while their private sector colleagues will have to apply, with all the time and expense that that involves. The committee is also aware that the Independent Schools Council—the ISC—believes that the changes may have a number of unintended effects for independent schools, stemming from the lack of a clear distinction in tier 4 between adult students and school pupils. The ISC is pursuing its concerns with the UK Border Agency.

As we have not had time to assess the impact assessment or full consultation responses, none of these concerns has been addressed, and detailed information simply has not been provided even to those who are expected to implement the changes and will have to deal with the consequences. I ask the Minister to explain the Government's justification for withholding this information and how they are addressing the types of concerns that the likes of English UK, Study UK and the ISC have.

As the committee reported, the Explanatory Memorandum says that an impact assessment of all the changes stemming from the tier 4 review was to be published on the UKBA website in March 2010. That is a point that the noble Lord, Lord Avebury, has made; and in fact, as we know, it has just appeared, as he said, coincidentally today. In response to questioning from the committee, the UKBA said that the impact assessment was being prepared and would be published when the changes took effect. That has just happened. I agree that the committee would like replies to its questions about the correctness of completing an impact assessment after an instrument has been laid, let alone after it has come into effect, which was a point well made by the noble Lord. We do not believe that the UKBA has followed the Government's policy on the use of IAs in this respect and would like the Government to explain their thoughts and how they plan to rectify the situation, if indeed they intend to do so at all.

6.30 pm

Further information submitted to the committee by the UKBA states that 17 sector-representative organisations submitted written evidence to the review of tier 4, and over 300 representations were received from individuals and individual education providers and related businesses. Meetings were also held with key representative bodies. However, the UKBA says that it is not planning to publish an analysis of consultation responses. We would welcome the Minister's comments on that point.

We have long called on the Government to crack down on bogus colleges and students. However, their new proposals fail to address the real problem. I am sorry to say that I consider this to be yet another quick fix, an ill thought-out policy direction that will do more damage than good in the long run. What is needed is: a proper clampdown on bogus colleges; allowing only institutions that are officially registered to sponsor students; an end to in-country switching between student and work visas; making it a priority for the newly formed national border police, which my party has in mind, to crack down on suspected bogus colleges; and strictly enforcing regulations on illegal working. Abuse of the student visa system is not fair on genuine students or on British taxpayers, and it has created a security loophole that must be closed.

The Earl of Sandwich: My Lords, the noble Lord, Lord Avebury, has covered all the points with his usual clarity, as has the noble Viscount. Like them, I have considerable doubts about the new rules and the way they have been introduced. Overseas students are essential to our economy, and we have to be especially careful about how we handle these arrivals. I, of course, recognise the general need for controls on bogus education, but I suspect that the UKBA's system of monitoring the rules gets choked every time by the arrival of new ones.

I am very concerned about the restriction on the amount of work, which cannot be enough to help poorer students live here. I am concerned about the prohibition on family members. What is the Minister's answer to the points made by the UKCISA about, for example, the effect on women students from the Middle East?

With regard to English language competence, I agree with the noble Viscount that there could be serious consequences for our economy if the requirement for students has to be raised. I wonder whether the UKBA has calculated the effect of such a change. Does the Minister with hindsight agree with the Merits Committee that it was disappointing that the UKBA did not publish an analysis of the consultation responses and did not, until now, complete the impact assessment that might have helped in the debate? Noble Lords put it more forcefully than that.

On the wider issue of student visas, the Government told the Home Affairs Committee in December that:

"The implementation of PBS T4 has placed a particular strain on the system",

last summer, especially in India and Pakistan. Does the Minister think that the new rules will put more or less strain on the system as a whole, including sponsorship?

How many visa sections are still left open to students in those countries? Does he accept that penalising whole countries—I think Nepal is also on the list—for breaches in Immigration Rules or an overheated system discriminates against students who have legitimate claims to come here? Is it not likely that a new layer of criminal fixers will come and offer their highly priced services to help better-off students evade or avoid the rules?

Lord Lucas: My Lords, I am glad that my noble friend on the Front Bench does not like these provisions as it is yet another reason for optimism for 7 May. This is a bit of late, decaying government foolishness. They have not taken into account the many adverse effects of the rules they propose. As other speakers have said, international students coming here to learn English are an important contributor to our economy. More than that, it is an enormous contributor to our status in the world and to our long-term financial health that so many people come from overseas, gain a command of English, go back home and—presuming that they have been treated well here, which the vast majority are—are our friends for life. To cut off that part of our future in such an arbitrary and ill thought-out way is entirely unjustified, as is the setting of a bar at GCSE level for English. That is the point at which children come here to study, by and large. You would expect to pick a child up to bring him up to GCSE standard. What is the point of setting the level at GCSE for genuine school-age pupils coming to take part of their school education here? It seems entirely inappropriate.

I also object extremely strongly to the idea that an impact assessment should not be prepared before an instrument is laid. It is clearly part of the standard procedure, as is a proper exposé of consultation responses. There is no reason for the border agency generally or in this instance to be exempt from those requirements. It means that its proposals are not subject to a proper degree of scrutiny by this House, and I hope that the Minister will say that it will never happen again, at least under his jurisdiction.

Baroness Hamwee: My Lords, the whole House has on many occasions had cause to be grateful to my noble friend for bringing issues of immigration to the Floor of the House, and today is no exception. He has answered a question for me. I was unable to find the impact assessment. I read the papers hastily, not having expected to be able to take part in this debate, and went into the UKBA website to look for the impact assessment and got nowhere. It was clearly not yet there, but this is probably the season for rather jerky knees.

As noble Lords have said, these changes stem from concerns about so-called bogus colleges. I think "bogus" is overused in the context of immigration and asylum. As the noble Lord, Lord Lucas, said, there are clear reputational issues around this. We should indeed crack down on bogus colleges that do not offer proper education, but that is because of the reputation of the UK and because it is simply cheating for colleges that do not educate their students properly to be taking money off them. That is something that I feel extremely strongly about. Perhaps the next Parliament will give us an opportunity to consider licensing such institutions.

So many of the changes that we are considering appear to stem from the guidance rather than from the rules. The rules are complex enough. I refer to just one paragraph that is mentioned: paragraph 245ZZB(c)(iv)(1). One can understand how many changes there must have been to get at such a designation of a paragraph, and it is very difficult for anyone to understand the current position. Many of these changes come in the guidance, and I question whether guidance is the appropriate vehicle for some of this. My noble friend is drawing the House's attention to changes in the Immigration Rules, but the guidance is a step lower in that we cannot even challenge it through the legislative process.

I see from the letter from the UK Council for International Student Affairs that was published in the Merits Committee report that, since the Immigration Rules for tier 4 were first published, just less than 12 months ago—the letter was sent, I think, last month—there have been six versions of the tier 4 policy guidance. That is bad in itself, and it is bad that guidance has assumed such significance in the decisions that are taken in this area and in the futures of the people who are affected by them. The council says that the scheme is becoming quite unworkable because of the number of changes and because the information is published in so many different places and in many cases says different things. The council goes on to say—this worries me very much:

> "Where there is a discrepancy between the Immigration Rules and some other document or source of information, we cannot assume that the Immigration Rules will be applied and have to ask on every occasion which version reflects the real policy intention. As the policy guidance is changed so often, there appears to be little legal certainty on which students and advisers can rely".

I was also struck by the level of English that is to be attained. Again, the Merits Committee cites in evidence a letter that states that,

> "it is absurd to require people who wish to come to learn the language already to be competent in it, which is the effect of this proposal".

We have arrived in Alice in Wonderland.

The effect on students and their families of the restrictions on the hours of work has been mentioned. The letter from the UK Council for International Student Affairs to the Merits Committee states:

> "It is not clear why the Government wishes to disrupt so severely the family life of students, particularly when family support in a new country can be so helpful in ensuring that students successfully complete their studies".

In short, there are a lot of questions, which I do not need to repeat. The biggest question with which I am left is why the Government have chosen to take what clearly appears, to all the speakers in the debate, to be such a perverse course without having provided material on which there could have been a proper debate. We are having a debate thanks to my noble friend, although we are having it at the 11th hour—indeed the 24th—but it is right at least that we put on record our concerns.

6.45 pm

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): My Lords, I am grateful to the noble Lord, Lord Avebury, for raising

[LORD WEST OF SPITHEAD]
this important subject and for his prior notice of some of the questions that he was going to ask, as it gives me an opportunity to explain to the House the background to the changes to the Immigration Rules for students studying under tier 4 of the points-based system and why they were introduced with some urgency. Before I do so, I acknowledge the unique contribution that international students make to the country as a whole, as well as to the universities and colleges where they study. Their contribution goes much wider than the £8.5 billion that they contribute to the economy and can be seen in areas as diverse as investment in the UK and the future prominence of the UK on the world stage. The noble Viscount, Lord Bridgeman, the noble Earl, Lord Sandwich, and the noble Lord, Lord Lucas, touched on this and I absolutely agree with the points that they made about the value of such students.

The changes form part of the measures that were agreed following the Prime Minister's review of tier 4. It may be helpful if I explain the background to the review. Tier 4 is a system that tackles the immigration abuse and reputational damage caused by bogus colleges and bogus students. We have been broadly supported on this journey by the legitimate education sector, which is responsible for securing the UK's place as a world-class education provider. Tier 4 was introduced on 31 March last year. The new system of sponsor licensing has prevented immigration criminals from obtaining licences. The current register has around 2,000 licensed institutions, which is half the estimated number of institutions that were previously active in recruiting international students, but the review showed that, given that the system was new, there was still more to be done.

Despite this reduction in the number of institutions, we have seen an increase in the number of student applications compared with the numbers in previous years. When UKBA staff in some parts of the world expressed concern about this, it was right for the Prime Minister to call for a review. Given the urgent need to understand what was happening to prevent potential abuse, the review team was set a challenging timescale of four weeks to gather evidence from the UK Border Agency and to consult the education sector. The review team from the Home Office and the Department for Business, Innovation and Skills was asked to assess whether tier 4 policy was striking the appropriate balance between facilitating genuine students' access to education in the UK and preventing abuse by economic migrants.

Despite the challenging timescale, the review team held meetings with all the main education representative bodies to listen to their views and accepted their representations, along with several hundred additional responses that were received from individual providers. There is, as a couple of speakers have said, a code of practice on formal written consultations, but it is non-binding and, given concerns about the security of immigration control, it was decided that it was not appropriate to conduct a formal written consultation of the type that is covered by the code. Notwithstanding that lack of a formal written consultation, any suggestion that the review took no account of the sector's views is wrong.

The findings of the review confirmed that there was evidence of higher student application rates in some parts of the world than in previous years—the rate was up by approximately 250 per cent in parts of south Asia—and these increases were far more significant compared with those in our main competitor countries. In the areas of concern, the students were seen typically to enrol on low-level English language courses and courses below degree level. A further trend was of student applicants with little English coming to study lower-level courses, despite having been out of education for many years, and seeking to bring their dependants. There were also significant numbers of reports on students who had failed to enrol or who had dropped out of their courses soon after arrival.

Ministers agreed that the review had demonstrated sufficient evidence of potential abuse to justify introducing further measures to strengthen tier 4 and to do so without delay. On 10 February, my right honourable friend the Home Secretary announced a targeted package of measures, of which these changes to the Immigration Rules form a crucial part. These rules were laid at the first realistic opportunity following the announcement by my right honourable friend the Home Secretary.

I now beg noble Lords' patience as I explain the changes in more detail, as this is one of those occasions when detail is important. The detail demonstrates that, far from ignoring the views of the education sector when making the changes, the Government have responded to its concerns. First, the change to the English language level means that applicants are required to have a higher level of competency in English before they can use tier 4. As a number of speakers have said, this may seem to be a major change, which could arguably have a significant impact on the English language sector in particular. However, complete beginners have never been able to use the tier 4 route, and the student visitor route, which operates outside the points-based system, continues to be available to beginners and to low-level students.

The Government contend that this is the more appropriate route for such students, and independent research confirms that an average student can progress to the standard required for entry under tier 4 during a six-month course. In making this change in the minimum level of English, the Government have also made concessions for degree students who may need to do some English before their main course and for low-risk government-sponsored students. This change targets the abuse of low-level English language courses, while safeguarding genuine student progression.

Another English language change now requires sponsors of students studying on courses below degree level, excluding foundation degrees, to confirm that their students have a minimum standard of English. I make no apology for this: if students are to be taught in English, it is not unreasonable to require them to have a certain level to be able to follow their courses. By the summer, we will also require them to demonstrate this through a UKBA-approved secure test. This change was largely supported by institutions in the sector, many of which already require their students to demonstrate an English language ability. It simply levels the playing field and ensures that students can follow their courses.

The other changes introduced on 3 March mean that, for example, the time that a student studying below degree level, excluding foundation degrees, is able to work has been halved to 10 hours during term time. This change reinforces tier 4 as a route for serious study and was supported by a significant proportion of the further education sector. The noble Earl, Lord Sandwich, touched on this point. The previous 20-hour limit sometimes distracted students and the sector rightly said that it was more important for them to concentrate on their studies to gain good grades. This was something that the education sector felt that it wanted.

In addition, anyone studying a course for less than six months can no longer bring their dependants, and the dependants of those studying courses lower than undergraduate level, excluding the foundation degrees, are not permitted to work. These changes respond to the marked increase in such applications, since the introduction of tier 4, where we questioned whether the main purpose of the applicants was to study or to work. Neither the further education sector nor the English language sector felt that these changes would impact on them significantly, as they said that their students were typically younger, without families.

Today we have also launched the new category of highly trusted sponsor for tier 4 sponsors. Tier 4 sponsors will require this status if they are to continue to offer adult student places on courses with work placements, where these are below degree level, and courses at the lowest academic level. It is right for the Government to limit such courses, which are highly attractive to economic migrants, to the most trustworthy and compliant sponsors.

From the outset, this review was about putting in place measures to ensure that tier 4 has the necessary controls to drive out abuse. It is regrettable that the necessary speed of the review meant that a formal impact assessment could not be published to coincide with the initial changes. However, the review considered impact as an integral part of its work. As has been stated, a full impact assessment has today been provided to Printed Paper Office and is available on the UK Border Agency website. Notwithstanding the point made by the noble Lord, Lord Avebury, I have to say that I do not think that that was just because of this debate. However, I take his point about it being done rather later than one would like.

In addition to the changes that I have outlined, UKBA is undertaking other operational measures to ensure the integrity of the system. Sponsors are required to be satisfied that a student is able to, and intends to, follow the course of study in question before they issue a confirmation for acceptance of studies. We have been working with the sector to ensure a thorough understanding of this and we are in the process of publishing clearer guidance on how sponsors can discharge these responsibilities.

As of 22 January, UKBA has revoked 15, and suspended 145, sponsor licences. A number of the suspended institutions have been returned to the register after further investigation or where they have taken measures to tighten up their systems. Students sponsored by institutions that have been suspended from the register may continue with their studies at the institution, while new students coming to join the institution may still travel to the United Kingdom. In response to the increase in numbers of applications and pending the implementation of any recommendations stemming from the review, UKBA instigated a selective operational pause and is currently not accepting certain student applications in some areas of the world—parts of southern China and south Asia. UKBA will be working with colleagues in Ofsted and the existing accreditation bodies to ensure that the academic accreditation process that is crucial to the continuing effectiveness of the system is sufficiently robust.

The noble Baroness, Lady Hamwee, talked about the complexity of the system. That was also touched on by the noble Lord, Lord Avebury, and others. I believe that the system is complex, so it is absolutely right that it is reviewed and looked at. There needs to be some rationalisation of the immigration system. Tier 4 is being reviewed all the time. We are always looking to make sure that it is working properly but, in the context of the rationalisation of the immigration system, I believe that it is correct that we should address that as well.

I have been involved in this area—by which I mean that I am spokesman in the House for it—for only about two and a half years. It seems clear to me that, over the last 50 years or so, no one has been very clever about getting to grips with some of these immigration issues. Immigrants, of course, bring a great deal to this country, but the issue needs to be grasped. I believe that we are now getting to grips with it. In my last two and a half years here, I have been impressed with what has been going on, whether it is the new border force and what it is achieving, the points-based system or the e-Borders system. We are getting to grips with it.

We have an enviable reputation as a provider of world-class education in this area. Those who seek to undermine the sector by abusing immigration controls do significant damage to its reputation. It is right that we should take prompt action to prevent that. The changes that I have outlined represent a targeted and balanced package that tightens up the student route while at the same time ensuring that genuine students are still welcome to come to the United Kingdom.

Baroness Hamwee: The Minister referred to the highly trusted sponsors and I understand that there is some concern that private providers might be in a less advantageous position than publicly funded ones. Will he say something about keeping the providers under review? What arrangements are there to review the standards to be met by those who seek to achieve the status of highly trusted sponsor? Is it a rolling programme?

Lord West of Spithead: As I understand it, that is assessed continually, but I will get back in writing with the detail of how it is done.

Lord Avebury: My Lords, on that final point, we understood that, after representations by UUK, the Government had agreed to review the highly trusted sponsors scheme and to come up with variations to it by 15 April. If that is so, as I asked the Minister in one

[LORD AVEBURY]
of my questions to him, why cannot the same be done for the other parts of the tier 4 sector? As there have been many criticisms from all the noble Lords who have spoken, and we know that this is a reflection of what the providing organisations feel, why are they not entitled to an equivalent review?

The Minister says that tier 4 is subject to continuous review, but in this case there has been a botched consultation and no publication of the responses. He was asked about that by several noble Lords, including the noble Viscount, Lord Bridgeman, but he gave no answer as to why the responses to the consultation were not published. This might have given significant insight into the genuine concerns felt by many of the institutions, which we feel have not been properly addressed either in the rules or in the debate this evening. My concluding request to the Minister was whether he would give an assurance to the House that this botched method of consultation would not be adopted in the future. He said that the 12-week period provided for consultations in the code of conduct was not observed in this case because there were concerns about security and immigration control, which was why the timescale was abandoned. However, that can be prayed in aid for any changes in the Immigration Rules or, as my noble friend Lady Hamwee said, when guidance is changed. The system can be fundamentally altered without any consultation at all.

Without wishing to prolong the debate, I have to say that I am not satisfied with the Minister's response. I only regret that we are talking about this when it is far too late to do anything about it. The changes have come into effect. The impact assessment has been published very belatedly. I should also have liked an assurance from the Minister that impact assessments invariably would be published within the appropriate timescale relating to the instrument and that they would be available not just three hours before a debate but in good time for us to assess them and to have a proper debate based on their conclusions.

I am concerned that the whole process of getting to the changes in the Immigration Rules provided in this statement was fundamentally wrong and flawed. I certainly hope that it will never happen again, although at this late stage in the Parliament I am sure that nothing that I can say will persuade the Minister to give that undertaking. I beg leave to withdraw the Motion.

Motion withdrawn.

Education (Student Support) (European University Institute) Regulations 2010

Motion to Resolve

7.01 pm

Moved By ***Lord Lucas***

To resolve that this House regrets that the Education (Student Support) (European University Institute) Regulations 2010 (SI 2010/447) were laid without consultation with interested parties, without evidence that the regulations met the original objectives of funding the College of Europe and without giving reasons for changing those objectives.

Relevant Document: 14th Report from the Merits Committee.

Lord Lucas: My Lords, if any of us had been under the impression that the details of the European bureaucracy did not matter, I am sure that that impression was shattered by President Sarkozy's delight at the appointment of Michel Barnier to the finance portfolio. It seems to me that it is of the first importance that the European Union should have a proper representation in the bureaucracy; that we should have people there who not only represent and speak for Britain, but who also are of really high quality; that these people really understand what goes on in the UK; and that they can hold our interests and our way of thinking high in the process by which policy is made in Europe. So much of our law-making and our future is tied up in the European Union.

I had always assumed that a core of the Civil Service had this as its first priority and that there was a lasting drive—it is not really a matter of politics, at least not between the three parties represented here today—to this being what we should be doing. It is a process which should have carried on from generation to generation of civil servants, and which should have been polished and improved in the way in which some countries seem to take a delight in doing. As a humble member of the Merits Committee, it was an astonishment to me to come across this statutory instrument, which clearly shows that the ball had been dropped quite disastrously. Not only had one element of our preparation for getting good-quality candidates into the European bureaucracy been swept away at a stroke, unconsidered by a ministry, but when this was pointed out by the noble Lords, Lord Wallace and Lord Kinnock, it appeared—notably—that the policy was not even being kept under review. No one in government knew why we were funding places at the College of Europe. It was not part of a considered process at all. It is not just a ball dropped by someone in an individual ministry; this is a representation of something which has gone wrong much more fundamentally in government.

I therefore felt that it was worth raising this matter as a Motion. I really hope that this can be rescued and that we will now find ourselves, whatever happens on 6 May, with a process of recovering our position within the European bureaucracy. I also hope that we will pay attention to making sure that we get some of our brightest and best people out there, and that the processes which go to make that happen—whether or not they include the College of Europe, which has a good track record in this regard—are taken seriously and become embedded in the way in which the Civil Service runs from government to government. It should be part of the fundamental engine and unaffected by the politics flowing above it. I beg to move.

Baroness Garden of Frognal: My Lords, I thank the noble Lord, Lord Lucas, for giving us the opportunity to explore these regulations in more detail. Like him, when I read them at the weekend I was increasingly

disturbed by the implications of what was in them. It is interesting that this debate follows the previous one on immigration when we were discussing the wish of people from overseas to study in the UK. This regulation offers an opportunity for our people to study in the EU to the benefit, surely, of both parties.

My noble friend Lord Wallace of Saltaire tabled Questions in February and March in connection with these changes to funding. They were answered by the Minister of State for the Foreign and Commonwealth Office. Today's debate is being taken by BIS. These matters obviously span departments and one wonders whether they perhaps have suffered from falling between two departments, both of which may have been looking for easy budget cuts. Will the Minister confirm that these decisions were taken somewhere within BIS? What consultation took place with key stakeholders? That is not at all apparent from the evidence in front of us—for instance, consultation with the FCO and the institutions affected. Perhaps the Minister would further say whether any assessment was sought from previous students to gain evidence of the value of the programmes and what they had gained from them. Perhaps as significantly, with the benefit of these programmes behind them, where had their career progressions taken them in terms of the sort of positions that they were holding?

This year, the total budget for the College of Europe and Bologna was £279,000 and for the European University Institute it was £174,000. There was apparently no impact assessment and the Explanatory Memorandum states that,

"any impact on the public sector would be minimal".

Any savings to be made from cutting these budgets are unlikely to be significant within the total higher education budget and certainly smack of gesture politics rather than a serious attempt either to balance the books of the national economy or to make a beneficial redistribution within education funding. But if the financial impact is minimal, there is a much broader question of value. As the noble Lord, Lord Lucas, has said, the EUI has a growing reputation as an academic institution. What will be the impact on the UK's ability to play its full part in contributing and benefiting from that reputation in understanding and influencing the EU debate?

For students to be selected for these scholarships, they need to be proficient in a language other than English. This raises a broader concern, which we have raised previously in your Lordships' House, but which will benefit from being raised again; namely, the decline in modern language teaching in secondary schools. Although this takes the debate slightly beyond these regulations, perhaps the Minister will indicate what measures the Government are taking to ensure that the country has sufficient people fluent in modern languages to enable the UK to be represented and influential at the highest levels in the EU.

We add our concern about the way in which these cuts were made, the rapid reinstatement of places but for one year only, and the knock-on effect of discouraging internationally minded young people from seeking rewarding careers in the EU. I look forward to the Minister's reply.

Lord De Mauley: My Lords, like the noble Baroness, Lady Garden, I thank my noble friend Lord Lucas for tabling this Motion, and I must say that I share his concerns. When the Merits Committee, a cross-party committee known for the impartiality of its recommendations, sees the need to highlight the lack of coherent policy behind a piece of legislation, we know that the Government are on thin ice. The committee states that the SI has been developed without consultation with key stakeholders and that the Minister's department has not presented any solid evidence to support the policy objectives of their funding decisions.

Indeed, there is something odd about the Government's attitude to the timing of this cost cutting. The Prime Minister has been at pains to tell us that nothing should be done, that all cost cutting must wait until next year for fear of snuffing out the economic recovery, yet here goes the department doing something that is apparently completely at odds with that assertion. Now we all know, in fact I think most of us know better than the Government, how important it is to cut costs and to cut them promptly, but the huge importance of the process of engagement with and influencing of Europe critically hinges on having talented and highly skilled civil servants appropriately placed, as my noble friend said, within the bureaucracy in Brussels.

This order appears to be only one of two sets of regulations on the number of scholarships to be made available for students to study at the College of Europe. Can the Minister give us any more information about how, given the imminence of Prorogation, and when the Government intend to table the second lot, which apparently will reinstate half the places that are being cut? My understanding is that the Government propose to remove student support for postgraduate students attending the College of Europe in Bruges, Natolin in Poland and Bologna in Italy, but that funding will remain in place for UK postgraduate students attending the European University Institute in Florence. So can the Minister explain the Government's logic for differentiating between the European University Institute in Florence and the other institutions which are not so favoured?

I also look forward to hearing his answers to my noble friend's questions about the analytical work that was done before all these decisions and counter-decisions were made. How many students have gone on to fill permanent positions in EU institutions? What sort of work are they doing? And as the noble Baroness, Lady Garden, asked, can he reveal who was consulted? We hear, for instance, that despite media coverage in January, the Europe Unit at Universities UK was not consulted, yet it is the key group representing European higher education in this country The College of Europe only deals with those with the very highest potential, and I understand that the number of students who have attended it from the UK, as from any other country, has reflected that. But perhaps that is because only a small number of those with such potential exist or indeed are needed by the European institutions. Is the Minister confident that these cuts have not been made in a misguided assault on a perceived elitism?

We thought that the Government disagreed with us over the whole issue of the timing of cost cutting, so we are baffled by this issue. We are equally baffled that

[LORD DE MAULEY]
the Government seem prepared to risk prejudicing the interests of the UK in Europe without, apparently, any consultation with key stakeholders and without presenting solid evidence to support the policy objectives of their funding decisions.

Lord Wallace of Saltaire: My Lords, I declare some interests on this. For five years my wife was at the European University Institute, was a student at the College of Europe and for 25 years a visiting professor there. Indeed, among others, she recruited the young Stephen Kinnock to the College of Europe to help him escape from his parents who were far too well known in British politics by going to Brussels where, at that point, they were unknown. It was an unfortunate failure.

The concern many of us have on this is precisely about making sure that British expertise and British interests are properly recognised within the European institutions. Those are not just the Commission, but the Council Secretariat, the European Parliament and its secretariat and the whole range of Brussels-based institutions. I suppose that I should also declare an interest in that I have taught many of the people who now work in those institutions, almost all of whom are not British. That is one of the problems we face: we under-recruit to those institutions. At the top, at the level of directors-general and so on, we have a number of very good British people, many of whom were indeed students at the College of Europe, but for the last few years we have not been sending enough students through any means to the European institutions.

The Government have a poor record in this respect because they abolished the European fast stream. After a good deal of lobbying by a number of us, myself included, they have at last reconstituted the European fast stream, but when we asked what had happened to the College of Europe scholarships, we discovered that the question of how they fitted in with the European fast stream had not been addressed. There were no figures for how many people had gone on to join the European institutions from there, so this was a decision that clearly had been taken at a low level, without apparent ministerial involvement and without considering the consequences.

It is, as has been made clear in the speeches from the Conservative Benches, a matter of all-party consensus in this House that we need to have high-quality British candidates working for us in the various European institutions and more widely in the intergovernmental organisations as a whole. Indeed, it is a matter to which we should return on another occasion because the broader issues of languages and of getting bright young British people to think about working internationally is something that we all need to address. I just wish to add my voice strongly to those who have said that this was a poor decision taken, it appears, without thought for the wider implications or policy consequences, and without looking back at the files to see why this policy had been instituted in the first place.

7.15 pm

The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills (Lord Young of Norwood Green): My Lords, I thank the noble Lord, Lord Lucas, for this opportunity to clarify the Government's intent behind the regulations under discussion today. Let me first remind noble Lords that the Government's priority is to provide access to students entering higher education for the first time. Since 1997, almost 400,000 additional students have been able to enrol on first degree courses. The number of undergraduates in English universities already stands at an all-time record level, and only a fortnight ago, my right honourable friend the Chancellor of the Exchequer announced funding for an extra 20,000 places for 2010-11.

Recent years have also seen a burgeoning demand for masters and research degrees, reflecting growing demand from employers for high-level skills. Here, too, student numbers stand at record levels. To take just one example, over the last six years for which there are figures, the number of home students taking physics PhDs rose by no less than 37 per cent. However, noble Lords will be aware that it has never been a normal function of the Government to fund postgraduate students directly. Instead, as has been the case under previous Administrations, the seven UK research councils bear this responsibility, funding students on a discretionary basis.

It has nevertheless been the case for some years that the Department for Innovation, Universities and Skills and its predecessors have funded a limited number of postgraduate students from the UK to study at three institutions in Europe: the European University Institute, the College of Europe and the Johns Hopkins University Bologna Center. This provision was made possible by a composite set of regulations which covered three different funding frameworks. In 2009 we reviewed the funding for these three institutions. The context then was emerging EC law, changes to domestic student finance policy and, frankly, pressures on the public purse caused by the global downturn. At that point, we took the decision to withdraw funding for students wishing to attend the College of Europe and the Bologna Center from 2010-11. No students currently involved in programmes at either institution have been affected by this decision.

At the same time, we resolved to continue to support students attending the European University Institute. The EUI was established pursuant to a European convention and the UK is therefore obliged under treaty to contribute a specified proportion of its budget. Furthermore, the Government are obliged to the extent that funds are available to support UK nationals admitted to the EUI. We intend to honour this commitment.

That is the background to the regulations we are debating today. They clearly set out provisions for supporting postgraduate students attending the European University Institute and they revoke the preceding composite regulations. I understand the genuine concerns raised by noble Lords that withdrawal of funding from students attending the College of Europe could harm UK representation at EU institutions. It is true that too few UK nationals apply to work in EU institutions. The UK makes up 13 per cent of the EU population, but only 6.4 per cent of EU staff. In more junior roles, the UK percentage is even lower, and we are falling behind other large member states.

We recognise that to be effective in Europe the UK needs more British nationals working in EU institutions, better engagement with these bodies and ways to achieve more joined-up policy-making across Whitehall. For these reasons, the Government have recently set up the Success in the EU project, which is examining a range of approaches to boost UK representation. I think that is a positive step forward, which acknowledges the importance of the issue that has been raised. Plans are under way, for example, to revive the European fast stream—a point referred to by the noble Lord, Lord Wallace. The project is looking at how to maximise the effectiveness of secondments to the EU from the UK Civil Service. We are also working with EU institutions to help them recruit more effectively in the UK and address issues which deter UK nationals from working in the EU, such as stringent language requirements and slow promotion prospects. As part of this broader effort, the project will explore the value of funding UK postgraduates at the College of Europe. In the mean time, we have reinstated a limited number of scholarships to the College of Europe this year—it will be something like 11 scholarships. There are fewer than previously, which is partly due to the exchange rate. There are also 20 scholarships to the European University Institute.

I readily accept that the laying of the European University Institute Regulations as planned and then subsequently providing a separate set of regulations for the College of Europe is not ideal. I apologise to the House if this approach has caused concern to the Select Committee on the Merits of Statutory Instruments. However, it was crucial that the EUI regulations were laid as planned to make sure that students applying under those provisions for the 2010-11 academic year did not suffer any undue delay. We also firmly believe that maintaining a composite set of regulations covering quite different funding policies was unsustainable in the long term. By providing two separate instruments, we can deal with reviews of policy or administrative changes to either set of regulations quickly and clearly, and again without undue disruption to students.

I will look now at some of the issues that were raised. The noble Lord, Lord De Mauley, asked when the College of Europe grants will be reinstated. The grants, as I have said already, will be reinstated in time for the academic year 2010-11. The applicant process is imminent and the regulations to reinstate them have been laid. The noble Baroness, Lady Garden, raised the role of stakeholders. Following representations from interested parties the Government decided to reinstate, as I have said, a limited number of scholarships at the College of Europe. I do not think that fully satisfies the noble Baroness on the question of whether the stakeholders were consulted. I apologise for that. On the question of languages, I seem to recall that we had a debate on the importance of modern languages and our commitment to ensuring better provision and better take up in a previous debate. I will write to her giving details of that. The noble Baroness also asked about the role of BIS. BIS is the lead department due to its responsibility for higher education. It does have a joint interest with the FCO in the success in the EU project to boost UK representation in EU institutions, so we are in effect straddling those two departments. I certainly agree with the point made by the noble Lord, Lord Lucas, about needing to encourage the brightest and the best. We hope that the review I have referred to will initiate that process.

I should also stress that the Government look forward to working with interested parties over the coming months, including the College of Europe, to develop fresh ideas on how to target available funding to the best effect and how to achieve our abiding goal of increasing the UK's representation in Europe. To sum up, these stand-alone regulations set out clearly the support that remains available for students at the EUI, while disentangling them from other, unrelated policy areas. A separate set of regulations has now been laid to provide the statutory framework on support for a small number of students to attend the College of Europe. Regulations for the College of Europe are being laid separately and are not linked to the regulations being debated here. The College of Europe regulations will be reviewed in their own right as part of the Success in the EU strategy.

I trust that this explanation has persuaded noble Lords that these regulations and the more recently laid College of Europe regulations will in fact work towards achieving the Government's policy objectives and the objectives that have been expressed here today by the noble Lords, and also meet our obligations under EU law. It only remains for me to thank the noble Lord, Lord Lucas, and other noble Lords for their contributions today.

Lord Lucas: My Lords, I am very grateful to the noble Lord, Lord Young, for getting on his feet, which is never the easiest thing, and giving us that reply admitting graciously the things that have gone wrong and giving us some good news about success in the EU. Do I take it that this particular initiative is taking place in his department? We know where to find it this time next year when we return to this, as I am sure we will. Having located something that needs doing, as I am sure the noble Lord knows, this House has a reputation for following up on it. It will be very interesting to see where that process leads.

I will take this opportunity to say that much as I would be delighted to see a Conservative victory on 7 May, every sun has its spots, I suppose, and not seeing the noble Lord, Lord Young, at the Government Dispatch Box will be one of those. I beg to withdraw the Motion.

Motion withdrawn.

Israel

Question for Short Debate

7.26 pm

Asked By ***Lord Dykes***

To ask Her Majesty's Government whether they will make representations to the Government of Israel regarding their duties under international law and the road map for peace.

Lord Dykes: My Lords, in the French newspaper *Le Figaro* this morning the Prime Minister of Turkey, Mr Erdogan, gave a very interesting interview about many different matters and problems including the Middle East. He was asked, as relations between Israel and Turkey did not seem so promising at the moment, what the situation was as far as he was concerned. He replied: "First of all, I wish to underline that our relations with Israel are not broken off. Our exchanges continue on the usual basis … But I have to say at this very moment, Israel does not unfortunately support the idea of a peace process in the Middle East. Let us take the example of the constructions of settlements in the West Bank. The whole world is demanding now that they are interrupted and reversed and lately President Barack Obama has said the same thing clearly as has Hillary Clinton. We know equally the position of all the European countries. But does Israel stop those developments as a result of these pressures? The answer is plainly no".

Those are sobering quotes indeed from a very respected Prime Minister of Turkey and someone who represents a country with which Israel has had very excellent relations over many years. It is a Muslim country, mainly secular but with a growing religious input, but it has become disillusioned with one of its long-standing friends. Does it make sense for Israel to alienate a country like that, as it has increasingly done so many others?

Despite that I am delighted, if that is the correct verb, to launch this debate in the nick of time before Dissolution and I am very grateful to the noble Baroness, Lady Kinnock, and all other noble Lords who will speak in the debate, especially my noble friend Lord Alderdice, who has played a major role in this area already over the years and has replaced the noble Lord, Lord Wallace. Even as we speak, the noble Lord, Lord Wallace, is on his way to an election campaign meeting in Bermondsey, I believe; I wish him well on that occasion.

Henry Siegman, writing in the *Financial Times* on 24 February this year said:

"No country is as obsessed with the issue of its own legitimacy as Israel; ironically, that obsession may yet be its salvation ".

By that he meant that the frustrated and angered international community might well end up asking the UN to accept a Palestinian declaration of statehood within the agreed pre-1967 borders, without the mutually agreed borders that a peace accord would have produced.

The Palestinians cannot be left for ever stateless without citizenship. This matter must be reversed as quickly as possible. It is very interesting to note, for example, that Israel itself has recently been described as a state without necessarily the firmly fixed borders that all states should have, in the sense that these negotiations may cause somewhat of a change if there is a genuine peace process, but that remains to come out of what is going on now. Indeed, there could be other bizarre side effects to Israel from the growing defiance and intransigence of the increasingly foolish and myopic Netanyahu Administration. I speak as someone who has been a proud and enthusiastic friend of Israel as well as a supporter of Palestine in its hour of need. I despair at the antics of the politicians in the coalition who are leading Israel down a blind and false path. The Foreign Minister is a deeply disappointing figure. It is only now that the US Government have at long last moved away from the nightmare years of George Bush to a determined, fair and thoughtful President who will, we hope, grasp this painful nettle, as he did with the healthcare issue in internal politics at long last. But for Netanyahu to have defied President Obama recently in Washington DC is itself unbelievably absurd in the present brittle state of affairs in the Middle East and the growing anxieties that we all perceive.

If Obama achieves a just and balanced two-state solution and the removal of the settlements, he will be the universal world hero for years and will finally have earned that prematurely accorded Nobel peace prize. It will be a fantastic achievement—but it looks some way off at the moment. At last, however, the quartet is lumbering into some semblance of reluctant movement forward with a recent gathering, but much more needs to be done. I especially ask the Minister tonight to give some account of what the pathetic and laughable efforts of the EU portion of the quartet intends to do from now on to insist that Israel behaves properly as the established state. We recall still with bitterness the chilling accounts of the 42 vetoes of UN resolutions as mentioned in the famous book by Mearsheimer and Walt in 2007 by the United States over the period 1972 to 2006, greater than the combined total of all other UN Security Council members over that period put together. What a disgrace for the country that professes to be the leader of the western world; I am not sure that that role is any longer applicable in the world, for lots of other reasons as well.

The list of Israeli violations of international law since the illegal annexation of the West Bank in 1967 is so long that I have no time to mention them tonight. Israel's defiance of the agreed road map is also now well documented, and we can add to that woeful saga the history of violations of civic and human rights in the apartheid colony that the Occupied Territories have now become; the extra-judicial murders that we have recently seen in the press, seemingly authorised by Israeli Ministers and the military; and the continued incarceration of more than 8,000 detainees, mostly without proper due process, equal to more than twice the pro rata United Kingdom entire prison population. Then there is the killing of civilians in Gaza, and the illegal settlements with some 400,000 settlers, who literally have no right to be there at all. How reckless can a Government of a western-style democracy decide to be? Presumably as reckless as Blair and Bush were in Iraq.

We seem to live in a world where only the US, the UK and Israel feel that it is all right to bomb civilians, as in Iraq and Afghanistan and the Lebanon and Gaza. Among the advanced countries, no one else seems to do it on a regular basis, apart from one or two unfortunate accidents among other NATO members in Afghanistan. Israel even attacks Syria with impunity, apparently, without any criticism uttered in Washington at all. In fact, if sensible public opinion in Israel were respected and followed by a sensible and moderate Government, as it used to have in the old days, these dreadful violations of international law would not be enacted.

I repeat my previous admiration for the millions of decent citizens in Israel who do not accept these dark prescriptions for the future. I raise my hat to JFJP, including its UK adherents—people of remarkable courage and tenacity—as well as to the 300-plus ladies of Checkpoint Watch, who go daily to the West Bank to report on violations of abuse of decent Palestinians struggling to survive, and to the hundreds of signatories in the *Times* on 1 December last year of British and international Jews welcoming the Goldstone findings. I single out too Gerald Kaufman MP for his bravery, and Peace Now—the UK branch and in Israel—as well as Bet'Selem and the other human rights groups in Israel, and the brave younger members of the military who formed the Breaking the Silence group to complain about abuses by the military of hapless Palestinian civilians. The list is very long and shows a decent side of a country, which can still—if only its short-sighted Government see sense—avoid becoming a pariah state like apartheid South Africa.

Because of the nature of this Question, I have not in this debate mentioned the long list of all the things that the Palestinians need to do if peace talks start properly. I presume that Senator Mitchell will work hard to be even-handed to both parties. But the fact remains that the Israeli Government, as the established order, supported as to their future security unconditionally by the entire international community, must take the lead as a colonial occupier that committed the violations of international law and created the Palestinian victims in the first place. That is what President de Klerk did in South Africa in 1990 to 1994. Sadly, the EU now has to consider seriously trade and other sanctions if Israel is not seen to be compliant with the growing anger and frustration of the international community. It would also be a good idea if it abandoned its defiance on the nuclear arsenal and subscribed to the NPT as well.

Finally, we watch with care and apprehension how the Muslim world of Arabia and beyond, as well as Muslim non-Arab countries like Iran, watch all these matters against the background of Israel's short-sighted rejection of the Arab League peace offer, made as long ago as 2004 and repeated frequently ever since. Saddam Hussein invades Kuwait and is expelled, quite rightly, after one year; Israel is still there after 43 years in the Occupied Territories. That cannot be right for the Arab man and woman in the street.

Israel has a great deal to offer its own citizens and neighbours, if true peace arrives and the Palestinians are given their place in the sun as a truly sovereign independent state, only seeking some 22 per cent of the combined territory. Israel has so much, the Palestinians so little. It is truly time for that Israeli generosity, which is such a feature of this excellent country. When I first went there in 1970, I was deeply impressed. I want to be impressed again.

7.36 pm

Lord Hannay of Chiswick: My Lords, it is high time that this House had the opportunity to debate the state of the Middle East peace process—not, alas, because the situation is developing so fast, but because it is not moving ahead at all and simply goes round in circles. That form of stasis has major negative security consequences for this country and the rest of Europe. We delude ourselves if we think that the current deadlock can safely be dismissed with a shrug of cynical indifference.

The Middle East, like nature, abhors a vacuum. Experience shows that a further outbreak of violence is unlikely to be avoidable if the parties cannot be brought back to the negotiating table. The noble Lord, Lord Dykes, is to be congratulated on initiating this debate in the closing days of this Parliament. It is right, too, that we should focus our attention in the debate on the role of the Government of Israel and on their current disregard for international law. For all the shared responsibility between the two sides that has existed over the past 60 years—the shared responsibility for the failure to reach a negotiated settlement—it is the present Israeli Government who, by their words and deeds, now represent the biggest obstacle to making progress. Take the decision to site the security wall not on the ceasefire line but in many places well within occupied Palestinian territory, and to continue its construction even after the International Court of Justice ruled that the siting was illegal. Take the incredibly offensive and maladroit announcement of further settlement building in east Jerusalem, which scuppered the latest US initiative to resume peace talks. Take the remarks of the Israeli Prime Minister to the recent APEC meeting in Washington that there could be no talk of settlements in east Jerusalem, because the whole of that city rightfully belonged to Israel and east Jerusalem was not therefore occupied territory at all and not covered by the Geneva conventions. Those are just three examples of clear breaches of international law, as clear as it is possible to imagine. The fact that Israel is a working and respected democracy, which is often rightly cited as a factor in its favour, only compounds its errors.

What, then, is to be done if the international community is not simply to acquiesce in this defiance of international law and the consequent lack of any negotiating process? We must certainly not abandon our wholehearted support for the initiative taken by President Obama when, on his first day in office, he appointed Senator George Mitchell to revive the negotiating process and later when, in his Cairo speech, he spelled out so eloquently the case for a negotiated solution. Some have suggested that the US made an error in insisting on a cessation of settlement building as part of that process, but the recent Israeli announcements have surely demonstrated that Israeli opponents of a two-state solution were never going to allow the settlement issue to be finessed. Moreover, getting on to the negotiating table US-backed ideas for the necessary compromises on the key substantive issues—territory, security, Jerusalem and refugees—is far the best way of moving ahead, whether through a direct or an indirect negotiating process. I hope that the British Government, both pre and post-election, will press ahead down that road and urge the US Administration to put those cards on the table.

Should we be contemplating negative action against an Israeli Government who are showing such blatant disregard for their international obligations? Surely some carefully calibrated political and diplomatic action

[LORD HANNAY OF CHISWICK]
is, indeed, desirable and justified. Here, too, President Obama has shown the way in the presentational handling of the Israeli Prime Minister's visit to Washington. Others, like ourselves, could usefully follow that pattern in our official contacts—correct, but no warmth and no photo opportunities. Could we not collectively go a bit further and remove from Israel that cover which we, and most of all the US, provide against criticism and condemnation of Israeli government policies at the United Nations? Such evidence of diplomatic isolation, so long as it avoided offensive rhetoric and stuck firmly to the parameters of agreed international law, could bring home to ordinary Israelis where their present Government's policies were leading them.

It would be wrong, I suspect, to make no mention in this debate of the other side of the peacemaking equation. I, and others in this House, have long argued for an inclusive approach to the Arab side. I should like to be clear: that would not include negotiating with Hamas at this stage, let alone concluding an agreement with it. However, it would involve talking to Hamas and agreeing publicly to deal directly with it, if it and Fatah were to reach agreement on a unity Government for the Palestinian territories that were prepared to base themselves on the Arab peace initiative. I would hope that the Government could give further consideration to that sort of approach, rather than simply endlessly repeating the mantra of the quartet's preconditions—now distinctly shop-soiled.

It is not easy to be optimistic in the short term. Occasionally, Back-Benchers can say something that those on the Front Benches cannot, so I hazard the personal view that progress will not be made so long as the present configuration of the Israeli Government persists. The extremists simply have too strong a grip on the present Government's policy and are fundamentally opposed to a two-state solution, whatever Prime Minister Netanyahu may say. Alas, we have to watch—and it eludes me as to how this can continue—the party of Yitzhak Rabin, Shimon Peres and Abba Eban justifying and sustaining that configuration of the Israeli Government, so the international community, including its Arab component, may need to be both patient and persistent. What we should not do is to cease giving this issue the priority and engagement that it requires.

7.44 pm

Lord Haskel: My Lords, this will be one of the last debates of this Parliament. Even so, I hope that the Minister will ignore the advice that she has been given by the noble Lord, Lord Dykes. Perhaps it is because we are in election mode that the noble Lord—unlike the noble Lord, Lord Hannay—seems to have forgotten about the need for balance in foreign relations, and seems to show attitudes which are irresponsible, hostile, partisan and prejudiced. Those will only damage our foreign relationships.

This Motion invites the Government to engage in lecturing Israel and finger-pointing about actions which the noble Lord finds unacceptable. However, he omits to mention how they came about, ignoring the bigger picture. That finger-pointing and lecturing would be a grave error. Why? It would contribute to tribalism and encourage fundamentalism. It would become part of the self-serving hate industry and if it inhibits dialogue, the hard-liners win on both sides. Anyway, Israel knows what its duties are, as do most Israeli citizens. They do not need Members of this House to tell them what those are.

Fortunately, we have a Foreign Secretary who has more sense. Despite the recent difficulties, the Foreign Secretary recently asserted that Britain will continue to work closely with Israel, which he described as a democratic country with remarkable achievements to its name in a dangerous part of the world. The Foreign Secretary is right. Israel is that rare thing; a liberal democracy in the Middle East—a Western-style democracy, as the noble Lord put it and, indeed, as the noble Lord, Lord Hannay, reminded us. It is achieving the fruits of being a liberal social democracy. Public services provide a high standard of education and health. Outstanding universities and hospitals are there, as is a skilled workforce that can operate a knowledge economy which delivers a high standard of living. There is a strong and well regulated economy—Israeli banks did not have to be bailed out—little corruption, and equality before the law. It shares many strengths with most other liberal social democracies.

However, it also shares their problems. Terror: what does a liberal democracy do about that? We are all divided. In the United States, half the population thinks it is at war and the other half does not, so they are divided over whether terrorism is a matter for the military or for the police. There is controversy here too; what are the rights and liberties that must be sacrificed for the sake of our security? My noble friend—and not so simple sailor—Lord West bravely treads that difficult path every day. It is the same in Israel. How far do its Government go to ensure the security of their citizens? Israel is not a heartless society that enjoys oppressing its neighbours. It is a divided society; divided in its concern over terror. As in every other liberal social democracy, some Israelis think that the Government go too far—the noble Lord, Lord Dykes, listed some of them—while others think that the Government do not go far enough. They do not need lectures from us, but solutions. They know the destination; we need to know how to get there.

What, then, is the answer? Mine is the same as the Foreign Secretary's: put your trust in a liberal democratic society. Trust in the ability of individuals to combine with each other to make sensible decisions for their own good, whether at the macro level of politics changing society or the micro level of small groups of individuals working away. At the macro level, Israel is even trying to sort out its proportional representation system, which the Liberal Democrats might approve of, although it has not served Israel well. At the micro level, there is plenty going on. In the same way that the recognition of a shared Judaeo-Christian heritage was key in combating anti-Semitism, so there is lots of dialogue between the three Abrahamic faiths, making proposals for working a way forward to a better future.

In Israel, there are mixed schools and mixed communities working on this and working on living together. We have examples here in your Lordships' House. My noble friend Lord Stone is working to

establish a joint Israeli and Palestinian clothing company. Personal tragedy has stimulated my noble friend Lord Turnberg to arrange special training for young Israeli and Palestinian doctors—something about which he has special knowledge and experience. So, rather than lecturing and finger pointing, I urge the Government to encourage these activities so that they can achieve a critical mass necessary to have an impact that will change people's lives, because this is what happens in a liberal democracy.

7.50 pm

Baroness Deech: My Lords, it is customary to congratulate a noble Lord on securing a debate on an important and topical subject. Unusually, on this occasion I am not certain that there is anything singular about the debate. We have had 143 Questions in this House about Israel in the past 12 months. On my rough count, the noble Lord, Lord Dykes, has put down more than 40 since the start of 2009. Indeed, he has asked 193 Questions on this subject, and initiated three debates, since he entered the House. One may well wonder what effect these have had and why his party's Weltanschauung is so narrow. I imagine that the suffering people of Zimbabwe, Burma, North Korea, the Western Sahara and Tibet would welcome similar attention to the minutiae of their oppression. Before anyone says that Israel should be held to a higher standard, let me say that the rule of law applies to all equally. It is not right to apply a higher standard to some and let off others who abuse human rights with a lower standard.

Any noble and learned Lord will know that a legal system links obligations and rights under law. Israel was admitted to the UN more than 60 years ago on the strength of the right of self-determination accorded to all peoples, as asserted in the charter. This has never been accepted by most of the Arab world, permanently in breach of this right by denying Israel's right to security and to enter into diplomatic relations. The context of what I have to say is set by this and by Isaiah Berlin. He believed in a two-state solution and called the creation of the state of Israel a victory for freedom because it,

"restored to Jews not merely their personal dignity and status as human beings, but what is vastly more important, their right to choose as individuals how they shall live".

He meant free from the pressure of the non-Jewish world. This is what is at stake.

Hamas and other Palestinian groups in Gaza have abused international law by targeting civilians with thousands of rockets—a crime against humanity. They have held Gilad Shalit captive for nearly four years without access from the Red Cross or contact with the outside world. They have captured journalists for no good reasons and they have launched rockets from mosques during conflict. Hamas has the obligation to recognise the state of Israel, renounce violence and accept existing agreements between Israel and the Palestinians. This is part of the road map.

In relation to Gaza, the problems arise from the seizure by Hamas of control with a view only to fomenting violence, not promoting peace, as can be seen by the contrast with the standard of living in the West Bank. There are two borders to Gaza. One can well understand why the Israeli one is closed, but the Egyptian Rafah crossing could be opened again if the EU restored its Border Assistance Mission, which it says it is ready to do.

As regards Jerusalem, I am sure that noble Lords realise that divided cities do not work. Belfast, Berlin and Nicosia were all untenable; and the walls come down in the end. Jerusalem has been the cultural, religious and political focal point of Judaism for more than 3,000 years and has only ever been divided once, between 1948 and 1967. When Jordan occupied old Jerusalem, Jews were not allowed in at all, the Jewish quarter was vandalised, 60 synagogues were destroyed and prayer at the western wall was impossible. Reunification came about because in 1967 Jordan answered the call of Egypt and Syria and attacked Jerusalem. Since reunification the city has flourished and Israeli and Arab quarters have grown and prospered.

The Jerusalem issue is in reality used as an excuse not to resume negotiations. The non-negotiators see the delegitimisation of Israel as the way to get what they want. The future of Jerusalem will depend not on international law but on negotiation. There are many perspectives on international law. I recommend—but do not have time to examine—that of Professor Lauterpacht. Prime Minister Gordon Brown has said that Jerusalem should be the capital for both, which must depend on a working relationship, not bombs on buses. That negotiation will flourish only when the malign influence and harassment from those who blame solely one side are removed from the equation. I support the noble Lord, Lord Haskel, in that regard. By placing all blame on Israel, the peace process is distanced. Generous offers were made to the Palestinians by Olmert and at Camp David and were rejected. The Palestinians see no need to hurry to settle because they get more offered every time. Peace will come only with Palestinian realism and acceptance of international law—namely, Israel's right to live in security. Palestinian teachers must stop teaching the next generation to hate Jews and restore Israel physically on their maps. Sixty years have been wasted since the two-state solution was rejected in 1948.

What, then, can the British Government do? They could regain some influence by starting to recognise Israel's legitimate concerns and displaying balance. Following the road map, they must persuade Hamas to stop the rockets, end smuggling of arms into Gaza and free Gilad Shalit. The UK should tell the Palestinians to sit down at the negotiating table and behave like the statesmen of the international community that they wish to be. What is the alternative? If the alleged breaches of international law by Israel were pressed home, if she did what some noble Lords apparently want her to do and, for example, accepted a one-state solution with return of the Palestinians, there would be an end of the state that provided a haven for the Jews. There would no doubt be destruction, both human and material, and no longer a corner of the earth where Jews can be assured of freedom from persecution. If Jerusalem were divided again, that part would once again be a no-go area for Jews and again one might expect vandalising of homes and places of worship, as happened in Gaza when it was evacuated.

Lord Phillips of Sudbury: I am grateful to the noble Baroness for giving way. I am anxious to ask her before she sits down—because so far she has not mentioned it—what view she takes of the colonisation of the West Bank and nearly half a million permanent settlers. Is that not an impossible impediment to all that she wants?

Baroness Deech: My Lords, I have eight minutes. Had I longer, I would deal with it. However, there are conflicting views about the occupation. We all know that in the end Israel has a history of trading land for peace. I am sure that that will come about once there is a Palestine. I have no doubt in my heart that that will be the case.

The actual elimination of Israel has become acceptable talk among many westerners. The one-state solution is a euphemism for this because Jews would be in a permanent minority. This has not been a happy situation in which to be in some Islamic states. In other words, Israel would risk being destroyed and another Judenrein state might take its place, as seems likely in relation to Palestine even if there is a two-state solution. Ending the so-called occupation is no solution until Hamas drops the aim of destruction as in its charter.

For 2,000 years the moral quality of any state or culture could be judged by the way it treated its Jewish population. Israel is the great moral criterion of our age, and the community of nations will be judged by the way it treats the tiny Jewish state in its midst. Over the centuries Jews have been held responsible from time to time for the world's ills when it seeks a scapegoat, and now it is Israel. When words like "apartheid", "tentacles", "the international Jewish community" and "the blood of children" are used in this context, noble Lords should recall that those phrases were familiar to the ancestors of the present Israelis. They knew their significance and how to regard them.

Those who call for the elimination of or damage to Israel by selective use of international law are on the wrong side of history, morality and justice. Israel has a history of obeying the law and doing the right thing when peace is ready to be offered. We should be optimistic about this.

8 pm

Lord Ahmed: My Lords, I thank the noble Lord, Lord Dykes, for securing this debate. I am a great admirer of his and have become an even greater admirer as he secured the debate just before the end of this Parliament.

I, too, strongly believe that representation should and must be made to the Israeli Government in view of their human rights violations and continued disregard for international law. The first article of the Universal Declaration of Human Rights should be our first and foremost concern. I do not need to remind your Lordships that it states that,

"all human beings are born free and equal in dignity and rights".

We have a global responsibility to uphold this in both our domestic and foreign policies, as it is our humanity that makes us human.

Earlier this year I was part of a large European parliamentary delegation led by Sir Gerald Kaufman to Gaza, where we met members of the Samouni family. Mona Samouni was born free and equal in dignity and rights, but our ability to protect her and thousands of Gazan children like her has been thwarted by Israel's disregard for international law. The 14 year-old showed me and approximately 60 European parliamentarians the remains of her family house. She described how her father was shot and killed in front of her eyes. She saw her father's brain being shot out of his head. Some 29 members of the Samouni family were killed during Operation Cast Lead. The Samouni family do not belong to Hamas or Al-Fatah. They are not political; they are an ordinary Palestinian farming family.

I also met the mother of a six year-old who was shot twice in the chest at point-blank range after he protested and cried when his father was shot right in front of his eyes. The mother of this child showed us photographs of the little boy and her dead husband. I was humbled by Mona's resilience but also deeply shocked by how the international community remains silent about the suffering of Gazan children. Without renewed, clear and urgent representation from the British Government, our dedication to securing human rights will be in question on the global stage.

I will briefly outline Israel's breaches under international law with regards to both Gaza and continued settlement building in the West Bank and east Jerusalem. Sir Gerald Kaufman, as the leader of the British parliamentary delegation to Gaza, spoke for us all when he said that,

"if Europe does not take political action to bring about the end of the siege, we are culpable".

That is, we are culpable for the 75 per cent of Gazans who are malnourished and the 50 per cent of Gazan children under the age of 12 who do not have the will to live.

The laws of occupation incorporated in the Hague Convention of 1907 and in the fourth Geneva Convention of 1949 apply to a state if it has "effective control" over the territory in question. No one can deny that Israel has effective control of the Gaza Strip. On my visit, UN representatives told me that the borders are so tightly controlled that even they could not obtain building materials to rebuild their own buildings, which were destroyed in January 2009. Two days ago, aid agencies spoke once more of serious shortages of food, medicines and essentials. Goods have been held in Israel's ports since 2007 and the first small cargo of clothes and shoes was allowed through two days ago, most of it damaged. With the people of Gaza imprisoned like this, what hope is there of recovery?

Gaza has had a four-year prison sentence. Many have described it as the largest prison in the world. The blockade is in breach of Article 33 of the fourth Geneva Convention of 12 August 1949, which prohibits collective punishment. It is also stipulated that non-combatant civilians must be protected during armed conflict and that the free passage of medicines, medical assistance teams and essential foodstuffs must be allowed.

There were 1,400 fatalities during Operation Cast Lead. Since then, a further 90 Palestinians have been killed by Israelis. In the same amount of time, two Israeli soldiers have been killed in armed conflict. The

response to this was 13 air strikes. The target was supposed to be a weapons factory, but a milk factory, a metal workshop and farms were also hit. According to the WHO, Israeli bombs hit more than half of Gaza's 27 hospitals and 44 clinics. The Geneva Convention makes it clear that medical staff and hospitals are not legitimate targets. The list of violations continues.

When Britain abstained from the UN vote on the ratification of the Goldstone report, that detachment showed not only lack of interest in the plight of the Palestinian people but also support for Israel's conduct. However, representatives from both Houses have campaigned for the UN-ratified Goldstone report to be implemented and reflected in our foreign policy towards Israel. We must continue to do so or we will appear to hold double standards and make a mockery of UN law. The 10th EU-Israel association agreement council meeting will be held next Tuesday to decide whether Israel meets the conditions set by the EU-Israel association agreement, one of which is to,

"respect human rights and democratic principles".

We should be making representations to the Israeli Government, but we should also make it clear to the EUIAA council that its actions should be suspended until the Israeli Government comply with international law.

Europe would not be alone in calling for this. America has taken a historically strong stance and shown its resolve in making the road map to peace a reality. We could join it and call for an end to the continued settlement construction in the West Bank and east Jerusalem. Hillary Clinton stated that such construction,

"undermines mutual trust and endangers the proximity talks that are the first step toward the full negotiations that both sides want and need".

By systematically building settlements in Jerusalem and the West Bank, Israel breaches the rules of international humanitarian law governing occupation, in particular Article 49 of the fourth Geneva Convention of 12 August 1949, by which Israel has been bound since 6 July 1951. Israel's most recent provocation was its announcement that 122 new settlement buildings would be constructed. These violations of international law have happened and will continue unless a strong stance towards the Israeli Government is initiated. Since 1967 Israel has been the subject of 138 resolutions and has violated 40 of them. In comparison, Iraq has been the subject of 69 Security Council resolutions. It is time that Her Majesty's Government stopped appeasing the Zionist lobby and took a firm step towards ensuring that international law is respected. We have a duty to children like Mona and thousands of other Palestinians who deserve a brighter future.

8.09 pm

Lord Hylton: My Lords, I thank the noble Lord, Lord Dykes, for the balanced way in which he introduced this debate. I subscribe fully to the praise given by the noble Lord, Lord Haskel, for Israel as a democracy of a particular and special kind. It is deeply disappointing that Israel is recognised by only two of its immediate neighbours. However, it still occupies land belonging to Syria, as well as a few farms in Lebanon. The situation of refugees has been left in abeyance for so long that the current displaced population outnumbers resident Palestinians still living in Israel, the West Bank and Gaza. It is regrettable that the peace process has been drawn out at such length after the bright, hopeful days of 1993, without reaching a just and lasting agreement.

Of course, there have been plausible excuses. Yes, Mr Arafat was a slippery partner. Yes, there was a second intifada in 2000, provoked by Mr Sharon's walkabout near the Dome of the Rock. Yes, there were terrorist attacks and suicide bombings. Why, however, have successive Israeli Governments disregarded the Arab League peace initiative proposed in 2000 and confirmed in 2007? Why, 10 years later, has Israel not engaged with what could be the basis for a long-term solution?

It must be in the interests of a democracy such as has been described to respect international law—indeed, to be an example to others in complying with the norms and wishes of the whole world. However, that is not what the record shows. Israel has armed itself with nuclear weapons yet does not submit to international verification. Ever since 1967, driven by Zionist ideology, Israel has been busy planting colonies in the West Bank and east Jerusalem, contrary to the fourth Geneva Convention.

The annexation in 1967 of east Jerusalem was illegal and has not been recognised by any other state. That is why the foreign embassies are all in Tel Aviv. One cannot approve of the steady attempt over many years to increase the Israeli proportion of the population of greater Jerusalem and to reduce the Palestinian percentage. This has gone to the extent of using evictions, demolitions and one-sided lawsuits. I say "one-sided" because apparently Jews have the right to return to east Jerusalem while Palestinians may under no circumstances return to their homes and properties in Israel.

As regards the separation wall, or barrier, I agree fully with my noble friend Lord Hannay, as I do with what he said about Hamas and how we should approach that movement. We should also look at the 1982 invasion of Lebanon, the 2006 war and the 2008-09 onslaught on Gaza. We will find no UN approval for these operations, but rather the disproportionate use of military force, with great civilian casualties and destruction of property. Yes, there was small-scale provocation by the enemies of Israel, but they did not use white phosphorus, tungsten shrapnel or flechettes in civilian areas. I have seen flechettes on the ground in battlefields in Azerbaijan. For noble Lords unfamiliar with them, they are small, screw-like weapon components that cause horrible flesh wounds. Noble Lords will find the evidence on these matters in the Kahane and Goldstone commission reports.

I come at last to the blockade of Gaza. This has lasted more than 1,000 days, from before November 2008, when Israel deliberately broke the existing ceasefire. Despite the trickle of supplies allowed into Gaza, children and others suffer malnutrition, homeless people live in tents and some medical patients die for lack of necessary treatments. This is an example of collective punishment at its worst.

[LORD HYLTON]

I have not mentioned the numerous breaches of international humanitarian law and of human rights law affecting Palestinians in detention, including women and children. Some of them are detained administratively while others come before military courts. I disagree strongly with the noble Baroness, Lady Deech. Israel as a democracy should respect a higher moral code than resistance fighters or terrorists. Israel should not enjoy the benefits of the association agreement with the European Union while it does not respect human rights, as required by Article 2 of the agreement.

Her Majesty's Government, the European Union and the rest of the civilised world should no longer be content with purely verbal protests. Positive action is now needed. The European Union came into being to prevent fratricidal war in Europe. It must now, with the help of the United States, develop a vision to prevent the cycle of wars and uprisings in the Middle East.

8.16 pm

Lord Judd: My Lords, I am sorry that I did not put my name down in the normal way, but uncertainty over public transport arrangements meant that I felt it would be unwise. I will make a couple of points in the two minutes available to me. First, in a debate of this kind we should all pay tribute to those of immense courage in Israel who stand for the arguments that have been put forward so well this evening. There are many within Israel, including people who have served in the armed services, who are extremely disillusioned with the Government's position and want to see radical change. We should express our solidarity with them.

My second point is that this debate is not simply about human rights. Those of us who take the position that the noble Lord took when he brought forward this debate—for which I express my appreciation—are doing so because we believe that this is the way that Israel can have peace and security in future. We are absolutely certain that the road that Israel is taking at the moment is not the road that will win for its children and grandchildren peace and security in the region. It is totally counterproductive. This counterproductivity could not be better illustrated than by the blockade. The blockade is causing immense suffering in education, housing, nourishment, health and in every other way, which is fanning the flames of extremism. We should take a firm stand against it.

My last point concerns Hamas. I am one of those who believe that it is simply impossible to envisage how we will get stability and a settlement in the area without bringing Hamas on board. We cannot argue for democracy and then when a Government are elected say, "Well, we do not like this particular Government so we will not deal with them". We just cannot do that. When we lay down all sorts of preconditions we should think of our own history in Northern Ireland; I have some hesitation in saying this. We knew in Northern Ireland that you had to bring people on board and win them. It was no good laying down all sorts of preconditions, you had to win them. Our intransigence at the moment is simply driving people into the arms of extremists and undermining the responsible elements within Hamas. It is madness.

8.18 pm

Lord Steel of Aikwood: My Lords, I am most grateful to the noble Lord, Lord Judd, for agreeing to share this short space in the break. I confess I was not aware that this debate was taking place because I was abroad for the past week. When I saw it come up on the screen I rushed here; I missed the opening words of the noble Lord, Lord Dykes, but I congratulate him on securing this debate.

My excuse for intervening at all is that I came back only last month from leading a parliamentary delegation to Gaza with three colleagues from the other place. I will say two things about the situation in Gaza.

It is well known, as others have mentioned, that Operation Cast Lead caused the deaths of some 1,400 Palestinians and 13 Israelis—not exactly an eye for an eye; more like a hundred eyes for an eye. What worries me is not so much the effect of the operation itself, but that 15 months later the blockade is there. We saw for ourselves the plans for badly needed housing for people who are living in tents. Money has been allocated by us—taxpayers—the Europeans and others for housing which should go ahead, but the Israelis will not allow cement and steelworks to come into the territory to build or rebuild those houses. As everybody has already mentioned, this is totally contrary to the preface to the European trade agreement which requires them to act in a humane manner. I am full of admiration for the work being done by UNWRA in Gaza; it is quite remarkable. UNWRA has guaranteed that it would secure the supplies if they came in, and they would not fall into the wrong hands.

What depressed us was that whether we talked to businessmen, teachers or students, everybody was saying, "We are a people without hope". The present policy of the Israeli Government is not only inhumane, it is downright stupid. Half the population of Gaza are under the age of 18 and we are breeding a whole generation of people with bitterness and hatred towards Israel which cannot be in the long-term interests of the security of Israel.

My final point is that I hope people reading this debate will not accuse some of us of being anti-Israel. We are against the policies of the Government of Israel. If we are against the policies of the British Government we are not anti-British—and we are not anti-Israel either.

8.20 pm

Lord Alderdice: My Lords, unlike the noble Baroness, Lady Deech, I welcome my noble friend's achievement in getting this debate at this time. I find it quite remarkable that it is suggested that these Benches have ignored questions like Zimbabwe, Burma and Tibet, particularly when one notes some of my colleagues, the noble Lords behind me.

I start by emphasising, as a number of colleagues have, that this debate is about the policies of the current Israeli Government. There are many in Israel, as the noble Lord, Lord Judd, emphasised quite rightly, who desperately want to see progress. Opinion poll after opinion poll over the years, whoever has been in government, has demonstrated—and in fairness the noble Baroness pointed this out—that the majority of Israeli people are prepared to do a deal for peace.

As the noble Lord, Lord Haskel, pointed out, it is not that Israel is a heartless country, it is a divided country. That is absolutely right. Israel is not simply a country with a Jewish population. There is a Jewish population—very importantly, and it is a homeland for Jewish people who choose to live there—but there is also a significant Arab population. Very importantly, NGOs and others do a great deal of marvellous work. Here I declare an interest as a patron of the Abraham Fund UK, which raises funds in order to try to help Arab and Jewish Israelis work together to build a multicultural society there. There are lots of other organisations—Hand in Hand in schools, the Jerusalem Foundation, Friendship Village and so many others. This is not about Israeli people, many of whom, to my certain knowledge from speaking with and listening to them, desperately want peace, but it is a question of whether the current policies of the current Government are moving in the right direction.

I confess that when the Government came together I rather abandoned the hope that there would be much progress on the Palestinian front in the short term, so I made it my business to return to Damascus and met again with the foreign minister, Walid Muallem, to talk about the possibilities of improving the relationship between Israel and Syria. It seemed to me that the current Government might have a little better hope of making progress on that front if they wished. He made it clear that the return of the Golan—no one, not even the Israeli Government disputes that the Golan is Syrian territory—might not necessarily happen overnight, but he said that if half of it were to be returned, there would be an end to enmity; if three-quarters of it were to be returned, an Israeli section could be opened in the US embassy in Damascus; and once all of it were returned, there could be an Israeli embassy in Damascus and a Syrian embassy in Tel Aviv. Of course, that would not mean that the Palestinian questions would be attended to, but the relationship between Syria and Israel would be changed dramatically.

Within a couple of weeks, the former Prime Minister Mr Barak indicated that he thought that there might well be more war between Israel and Syria and Foreign Minister Lieberman declared that the Syrians just had to accept that they would never get the Golan back. I do not immediately enter into the question of the West Bank and Gaza. I know all the complexities, but here is a situation where Syria was prepared to move forward and where Turkey and the Turkish Prime Minister, who was referred to earlier by my noble friend, were prepared to intercede. Yet the response was to talk about war, when it was not on anyone else's agenda and to say that there would be no return of what is, undeniably and internationally agreed, Syrian territory.

That takes us to the nub of the problem. There seems to be a belief in Israel that, whether it is Syrian territory, south Lebanese territory or Palestinian territory, if Israel feels threatened, it is perfectly all right to occupy land for six months, six years or 60 years without any apparent appreciation that that very occupation, in the medium and long term, does not contribute to Israeli security but stimulates resistance—violent resistance—when it cannot be resolved. This is not a matter of being for Israel's security or against Israel's security; it is about seeing the long term.

I see the noble Lord, Lord Haskel, shaking his head and I am reminded of one of the leaders of the Ulster Unionist Party, who was involved in militant activity in the early 1970s. I see the noble Lord, Lord Maginnis of Drumglass, in his place and it was certainly not him. Many years later, he came to me and said, "John, I wish we had done what your predecessors were advising at that time because we could have had a good deal then and now we are in an impossible situation". If, many years before, the views of the noble Lord, Lord Maginnis of Drumglass, had been followed by his colleagues, we would have had a very different situation and many lives would have been saved in our country. One has to be careful that what one seeks in the name of security is actually the best way of achieving the security that one wants.

At the time of the debate on Gaza—I will not go into the situation there—I warned that things would not improve for Israel. Two days after the awful earthquake in Haiti, General Petraeus, the commander of CENTCOM, took a number of his colleagues to meet the chairman of the Joint Chiefs of Staff, Admiral Mullen, to give him an account of what they had found after he had sent a team to all the countries in the region. The response was: "General Mullen, you need to understand that in every single one of those countries, the American interest, the American standing is collapsing partly, at least, because of the stance that we are taking on this matter and, furthermore, American lives are at risk in Iraq, Pakistan and Afghanistan partly because of that". General Petraeus was saying something very similar to what I am saying. That went to the White House. Admiral Mullen then went to Israel to try to get across to the Israelis the cost to them. That was why there was such deep anger and why Vice-President Joe Biden was received as he was. The Americans believed that they had got the message across that this was not of academic interest, this was not merely a question of national security, but this was American lives that were at stake and that put a whole new complexion on it.

If that is the case for American lives in the region, and we are a true and firm ally and friend of Israel, we should not assume that it is merely an academic or indeed altruistic question from our point of view. Some of our brave men and women who are serving—thankfully no longer, in most cases, in Iraq, but in Afghanistan and in relation to Pakistan—find themselves at risk because this issue is not being resolved and attended to. That is the passionate concern and commitment of those on these Benches.

The reason for obtaining a debate was to try to keep the matter to the fore. It is in our national interest to see this matter resolved. The noble Lord, Lord Haskel, said, "What you do about terror and terrorism?". Please do not get me started; it is a long journey. You have to talk to people you might not ever want to talk to. You have to accept things that you might not want to accept. However, I say for certain and without any fear of contradiction, the longer you leave it before you start on the road, the longer and more painful the road becomes; the sooner we return to the rule of law in the region, and the sooner we all recognise that, the better it will be for our people as well as for all the long-suffering people in the region, Israeli and non-Israeli.

8.29 pm

Lord Howell of Guildford: My Lords, this has been a mixed debate. There is no surprise that there is more than one view. Many truths have been spoken, but frankly there has been no clear message from your Lordships which will carry us very much further forward. We have to be very aware in having these debates of straying from concerned advice and focus on our own national interests, to use the words of the noble Lord, Lord Alderdice, into hectoring and lecturing others who are in circumstances that sometimes are very difficult for us to imagine and appreciate.

I begin with the general observation that it is sad to see how the cause of Israel's existence and nationhood has declined over the years. When I first entered politics—well over four decades ago—Israel was the favoured cause of the left, the right and the centre. Heroes like Abba Eban and others were enormously admired by Labour leaders such as Dick Crossman. Everyone recognised the values and determination of this amazing country, which was making the desert green and building a nation. Today, it is quite different. Almost everyone has grown impatient, if not with Israel, with Israel's current policies, with its government attitudes and many—not all—of its leaders.

Now, at the moment and at this particular stage, there is the relentless expansion into east Jerusalem and into Palestinian territory which has been mentioned by your Lordships; there is the heavy-handed siege of Gaza—one recognises all the arguments either side, but nevertheless it is undoubtedly very heavy-handed; there is the ruthless killing, the murder, of political opponents, themselves possibly murderers as well—always two sides to that argument—actions that in a democracy make many of us feel very shocked. Nor must we forget, as the noble Lord, Lord Dykes, rightly reminded us, that many Israelis, possibly most Israelis, simply want the right to exist in peace with their neighbours, to have their right to exist recognised, instead of constantly questioned, and maybe to get back onto the road map if they can. That is the sad and mixed situation. Anyone who tries to define it more narrowly, one way or another, is not helping the cause of peace in the region.

Everyone, too, is watching what a reinvigorated—or supposedly reinvigorated—US President, Mr Obama, will do now, after his domestic problems have been somewhat ameliorated with his success over the health scheme and health reforms. We have heard about the so-called unbreakable bond between America and Israel, which Mrs Clinton was reiterating the other day to the major audience of the US Jewish lobby AIPAC, but now we have to ask what the US President and the US Government mean by that unbreakable bond.

Mr Obama made three requests the other day to Mr Netanyahu, and he has made them before; first, the freeze on Jewish settlement growth should be extended beyond September—that is the George Mitchell proposition; secondly, building projects in east Jerusalem should be stopped; and thirdly, Israeli forces should withdraw to positions held before the second intifada of 2000. There is no evidence at all that Israeli leaders are agreeing to any of these requests. In fact, the very cold meeting between Mr Netanyahu and Mr Obama the other day suggests that there is no agreement at the moment.

The figures of the settlement issue—people say it should not be focused on, but it is a very central issue—are truly staggering. Last year, the number of settlers in the West Bank was 479,500, of whom 285,000 were living in the West Bank, and another 193,700 in east Jerusalem. These are enormous numbers and it is very hard to see how they can be reconciled with any kind of concept of two states or a separate Palestinian state. That is very hard to understand. I know I have heard in detail the arguments put by very sincere Israelis about this case, but it remains very difficult for us to see how these things can match.

The question now is: what moves can the US make—if it is up to it? Can the US move to much stronger measures, such as cutting off funds, in the way that George Bush Sr did? What representations can we here in the UK make in our various roles as a member of international organisations, as a leading member of the European Union but also as a leading member of many other groups, with excellent bilateral ties to many players and many states in the region—bilateral ties which in my view and my party's view need considerable refreshing and strengthening?

The signs are that the US may be stirring a little more than some people think. Senior American officials have been talking to Hamas—Thomas Pickering and Robert Malley, both very distinguished former senior officials in the US Administration. The tone has changed, as the noble Lord, Lord Alderdice, reminded us, with the language of the deadlock, the failure to come to grips with the almost intractable problem of who to negotiate with. Hamas will still not talk even to al-Fatah, so it is difficult for Israel to find grounds on which to talk but, nevertheless, perhaps somehow there can be progress through proximity talks. Until there is, that is endangering the interests of US troops and of our soldiers and military, endangering our lives and our national interest. It is certainly continuing to erode American influence everywhere in the Middle East. That is the change of tone and it may be leading to something firmer. There is also the question of Iran. Obviously, Israel cannot afford to open an Iranian front on its own and the US is certainly in no mood for a third Muslim war. Nor for a moment could we in this country afford to be dragged in to such a conflagration.

The deeper and final question is whether the US alone can now solve the problem or carry it forward—whether it has the political weight to do so. It may have the military weight, has it got the political weight? Have we now reached the point where not only the European Union and the regional powers, such as Egypt, Jordan, Turkey and, perhaps, Syria, must be involved but where the full weight of China, Russia and the rising powers of Asia must be mobilised to solve what is becoming a global and international problem? Either way, there is no quick fix. Whatever representations we may try to make, it looks as though this will begin to unravel only when it is seen and acted on as a truly global issue. That is the sobering but

realistic message that must come out of any debate such as we have had this evening. No doubt we shall return to this matter many times in future.

8.38 pm

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): My Lords, I thank the noble Lord, Lord Dykes, for initiating this debate and for his commitment to these important issues. I also thank noble Lords who have participated in the debate.

The Middle East peace process continues to be a high priority for the Government, as well as a topic of great interest to this House. The Government recognise, as many noble Lords have done, that there are major obstacles to be overcome. We are extremely concerned about recent violence, and deeply regret the loss of life on both sides.

Noble Lords have mentioned the quartet. The quartet meeting in Moscow on 19 March made clear that the negotiations should lead to a settlement negotiated between the parties within 24 months. We wholeheartedly support that goal; it may not be a quick fix, as the noble Lord, Lord Howell, said, but at least those are hopeful words.

Noble Lords will also be aware that President Obama, Secretary of State Clinton and Special Envoy George Mitchell have reiterated their commitment to bring the parties into talks that can reach a solution. The high representative reported on 21 March that the quartet was now united and determined to push the process forward and engage with concrete steps, such as assisting the Palestinian Authority in its state-building efforts. That is undoubtedly the correct approach, and reinforces the importance that we should attach to the work of the quartet. We also welcome the fact that the quartet has called on Israelis and Palestinians to act on the basis of international law and on their previous agreements and previous obligations—in particular, adherence to the road maps irrespective of reciprocity.

The noble Lords, Lord Dykes and Lord Howell, and others, have raised the issue of settlements and described as a clear breach of international law the approval by Israel's Interior Ministry of 1,600 new homes in east Jerusalem. Secretary of State Clinton has said that the plans should be shelved, that new provocations should be avoided and that there should be agreement to talk about the core issues, such as Jerusalem, in the planned proximity talks.

I can assure the noble Lord, Lord Ahmed, that we are absolutely clear on settlements. Settlement activity is illegal, prejudices peace talks and must be halted immediately anywhere in the Occupied Territories. In east Jerusalem it presents an even greater threat to the prospect of peace, as many noble Lords have said. Noble Lords will have seen the Foreign Secretary's condemnation of the Israeli announcement of more building in Jerusalem as,

"a bad decision at the wrong time".

Moreover, Israel's decision to add two holy sites in the occupied West Bank to a list of heritage sites is deeply worrying. We are making representations in private as well as in public on these issues and I can assure noble Lords that we are utterly unambiguous. I can reassure noble Lords that we are looking at the practical steps we can take to discourage settlement expansion, such as ensuring that goods from settlements do not benefit from EU trading agreements with Israel.

Much of the public debate has focused on settlements, but I want to reassure the House that while they are the gravest threat to negotiations and to a future Palestinian state, they are far from being the limits of our concern. I can confirm that on a range of issues—from the route of the barrier, to the operation of military courts, to the operation of the permit system which gives Palestinians the right to visit or live in east Jerusalem—we are active and we are vocal. I encourage noble Lords to read the 2009 FCO annual report on human rights, published last month, which sets out our principal concerns and actions. On detention practices, I say to the noble Lord, Lord Hylton, that we have called on the Israeli Government to take immediate action to ensure that all cases are reviewed by a court in accordance with fair procedures and that their rights are upheld, particularly the rights to a fair trial and to family visits.

On Gaza, I thank the noble Lord, Lord Steel, for his continuing interest and engagement on these issues. The Fourth Geneva Convention is clear that an occupying power must co-operate in allowing the passage and distribution of relief consignments. We argue that strict border restrictions limit the flow of legitimate aid, reconstruction materials, trade, goods and people. Approximately 90 per cent of Gazans depend partly on food aid. In December, the European Council of Foreign Ministers said that the continued policy of closure is unacceptable and politically counterproductive.

The UK provides practical support to the people of Gaza, and we do so also, of course, as an EU member state. The funds provided to support the Palestinian Authority and the UN refugee agency pay salaries and provide essential services in Gaza as well as in the West Bank. DfID has committed more than £24 million to alleviating the humanitarian crisis in Gaza since the conflict, and has given £5 million to the UN relief agency to strengthen the education programmes that are designed to combat radicalisation among vulnerable young Gazan people.

As I am sure noble Lords will agree, the recent violence in Gaza is a stark reminder of the need for direct negotiations between the parties. We continue to talk on all sides to refrain from violence and to refrain from provocation or efforts to distract the process at this crucial moment—which is indeed a moment of opportunity.

As for the past incidents of violence, we have been consistent in our calls for parties to hold full, credible and independent investigations into the very serious allegations about their conduct. We will continue carefully to monitor the progress of investigations by Israel and by the Palestinian Authority. The call has to be for all parties to take clear and unequivocal action in order to end this terrible conflict.

The Palestinian Authority has recognised this and has made progress in recent years. Under the leadership of President Abbas and Prime Minister Fayyad and with international assistance, the authority has turned

[Baroness Kinnock of Holyhead]
a notoriously corrupt Administration into one of the most financially transparent in the region. The Palestinian Authority has built more professional security forces and has taken decisive action to tackle abuses. It remains firmly opposed to violence and firmly committed to credible negotiations. However, on a number of fronts, we need to see further progress; for instance, on the rule of law and on further financial reforms. There are plans to do so, but we should recognise how far it has come.

Just as a more effective Palestinian Authority is part of the solution to the conflict, Hamas remains part of the problem. In refusing to unequivocally renounce violence, recognise Israel and accept previous agreements, it places itself firmly in the wrong. I say to the noble Baroness, Lady Deech, that holding Gilad Shalit for over three years without contact with his family or access from the Red Cross is clearly wrong and makes peace building more difficult. He should be released immediately and unconditionally.

I reassure noble Lords that the Foreign Secretary speaks regularly to his Arab counterparts and urges them to make the case for talks and to make the compromises that will be necessary. The noble Lord, Lord Hannay, raised the question of the Israeli barrier. The current route of the barrier seriously undermines the territorial contiguity of the West Bank and reduces the viability of a future Palestinian state. The noble Lord also talked about boycotts and sanctions. We do not believe that boycotts will help to engage or influence Israel, but we agree that we should instead use more diplomatic tools—

Lord Hannay of Chiswick: I did not raise boycotts or sanctions. I said that we should take political and diplomatic action. I think the noble Baroness is coming on to that point. I want to be clear that I do not believe in threatening sanctions that we will not apply. We have to bring home to the Israeli Government—the Government, not the Israeli people—that the present path they are on is getting nowhere.

Baroness Kinnock of Holyhead: I thank the noble Lord for that clarification. I agree that we should use diplomatic tools as our first priority. He raised the issue of whether we can make progress with the current Netanyahu Government. The Prime Minister has said that he is ready to enter proximity talks and to work towards a peace deal. We continue to call on all sides to refrain from provocation or efforts to disrupt the peace process. This means that the Palestinians and the Israelis, by their actions as well as their words, should continue to work towards that peace process.

I welcome my noble friend Lord Haskel's welcome for my right honourable friend the Foreign Secretary's sensible route. I agree that Israel is a strategic partner for the UK, and we are determined to maintain and develop our ties. We also recognise the rights of the Israeli Government to protect its people, but they should do so in line with international law.

The Government have made, and are willing to continue to make, representations to the Government of Israel regarding their responsibility. We will continue to press the Palestinians to meet their responsibilities, and we will continue to make clear to all parties in the region that they must do everything in their power to refrain from provocative acts and to support the peace process.

This conflict has defied resolution for decades, as the noble Lord, Lord Howell, intimated. Both sides can legitimately cite history in their cause. The Government will continue to support efforts to reach a lasting peace. That means that the Palestinians and the Israelis must show that they are serious about proximity talks moving swiftly from process to direct negotiations that will ultimately address the substantive issues dividing the parties. We will continue to work towards that lasting peace.

Agriculture: British Pig Industry

Question for Short Debate

8.49 pm

Tabled by ***Lord Palmer***

To ask Her Majesty's Government what action they are taking to tackle the causes of the long-term decline of the British pig industry.

Lord Palmer: My Lords, I am grateful for having been given this slot on such an historic day and, indeed, for the very impressive list of speakers. I am especially grateful to the noble Lord, Lord Davies, who I know has already had a very busy day.

I declare an interest as a farmer, some of whose produce ends up in the pig supply chain. I do not raise pigs, although my father used to include pig farming as one of his recreations in his *Who's Who* entry. One of my earliest memories is of herding pigs; indeed, my wife has a picture in her bedroom of me doing so. I also remember—this still haunts me to this day—taking pigs to market. The trailer became detached from the vehicle that was pulling it.

Between 1997 and 2007, the size of the UK pig herd fell by 40 per cent. For every 10 pigs that we had in 1999, there are just six today. As well as having higher animal welfare standards than most of our competitors, British pig farmers have never received assistance from the common agricultural policy. The higher production costs that arise from higher welfare standards here were compounded by the rise in feed prices during 2007 and 2008. Prices have been relatively more stable in the past two years, but many pig farmers still struggle to repay the debts that were incurred during the very dark days of 2007 and 2008.

The industry, the Government and the rest of the supply chain must work together to ensure that we deliver the recommendation in Defra's report on the British pig industry, which was published earlier this year, that the price that is paid to farmers properly reflects production costs and that labels are made clearer to show the country of origin and animal welfare and assurance standards. I strongly believe that the whole issue of food security is becoming ever more important.

The public sector food procurement initiative, which is otherwise known as the PSFPI, was launched in 2003 and aims to deliver a world-class, sustainable farming and food sector that contributes to a better environment and to healthier and more prosperous communities. It is a cross-departmental strategy that is led by Defra and intended to serve as guidance to all public bodies. Public sector food procurement in England accounts for spending of more than £2 billion each year on the food supply and catering services, and the PSFPI was established by the Government to harness this spending power and to advance certain priority objectives, which are set out in the Defra publication. These include: promoting animal welfare; promoting food safety, including high standards of hygiene; increasing the consumption of healthy and nutritious food; improving sustainability and the efficiency of production, processing and distribution; increasing tenders from small and local producers and their ability to trade; and increasing co-operation among buyers and suppliers and along the entire supply chain.

There is, by and large, broad public support for these objectives, including for local sourcing, for animal welfare and for quality and healthy food. In our changing food culture, this is only likely to increase to the point that consumers and public sector staff expect best-practice sourcing as a basic minimum for the food that they eat. Defra leads on this across government departments, and government figures show that a large proportion of publicly procured ham and bacon might not be produced to the animal welfare standards equivalent to those in the United Kingdom.

It is important that we build awareness of the high animal welfare standards that the United Kingdom deploys for pigs. Public bodies should also be made aware that, by importing pork or bacon without specifying welfare standards, they might be inadvertently supporting production that would be illegal in this country. Public bodies cannot discriminate in favour of domestic producers, as that is illegal under the European Union treaty and procurement directives. The Office of Government Commerce has produced a set of guidance notes to assist government departments and public sector organisations with this very task. The recent progress made by some departments in sustainable sourcing supports recommendations made by the EFRA Select Committee that all government departments and public sector organisations should be encouraged to buy pigmeat raised to equivalent welfare standards to those in the United Kingdom.

The Government, sadly, are failing to support the United Kingdom industry when it comes to public procurement of pigmeat—as indeed is this House, as we heard from the chairman of the Refreshment Department only recently. Bacon is still woefully low, at only 36 per cent, while pork has seen a very sharp fall in the last year.

Clear, on-pack, country-of-origin labelling for pork and pork products is more than simply a matter of good housekeeping. With many retailers using imported pigmeat for a high proportion of the pork and pork products that they sell, it is vital that consumers are provided with the information that they need to make informed purchasing decisions. This is especially so as they would be shocked to hear that almost 70 per cent of imported pigmeat would be illegal had it been produced in this country. Furthermore, although much imported pigmeat would be illegal to produce in the UK, labelling rules still allow pigs reared and slaughtered in lower-welfare conditions in other countries, but processed here, to be labelled as British. Competition from these lower-welfare, lower-cost imports have made a major contribution to the 40 per cent decline in the UK breeding herd in the last 10 years.

Currently, EU pig producers are disadvantaged by being unable to use lower-cost GM soya in feed. With pressure on the cost of feed, the EU is considering amending its rules to allow its inclusion but, until this is achieved, pig producers will be burdened with much higher costs. Alternative sources of protein are already being considered, which would be capable of replacing soya, but at present they are proving not to be any more cost-effective. If barley prices had kept pace with inflation over the last 25 years, barley would be trading at around £200 a tonne, rather than exactly what it was 25 years ago. Had that happened, we would not have a pig industry in this country at all—a very frightening thought.

The closed periods for slurry applications to land mean that farmers have to store their slurries for at least a 20-week period. This is idiotic and will lead to some farmers leaving livestock farming altogether, as they simply cannot afford the capital outlay of slurry storage with no return. It is illogical, given that there are periods during the closed period that are normally dry and mild, when slurries could be so easily applied. It is also illogical as it means that a mass of slurry is applied on the first open day after a closed period. That creates a huge risk of pollution. These regulations take good farming practice decisions out of the hands of farmers, who are, after all, intelligent and skilled practitioners in what they do.

On some farms, slurry is pumped from pig units to an anaerobic digestion plant where it is combined with other waste from the food chain to produce renewable energy and biofertiliser. These types of plants are increasingly seen as one of the ways in which to help British farming to reduce greenhouse gas emissions. I hope that Her Majesty's Government will take this type of project on board and will listen to some of the points that I have tried to highlight tonight.

9 pm

Baroness Byford: My Lords, I thank the noble Lord, Lord Palmer, for giving us the opportunity of this debate, which perhaps will be the last before we formally go into wash-up tomorrow. Like the noble Lord, I should declare our family farming interests. We used to run 120 breeding sows, which in my father-in-law's time went to Wall's and in later days went to Waitrose. We have known the pigs from birth through to where they end up for consumers to buy.

The noble Lord, Lord Palmer, rightly gave the figures of the alarming drop in the production of pigs in this country. It is frightening and, from a long-term viewpoint, is worrying as well. I appreciate that today we have to compete in a global market. Therefore, to a certain extent we are driven by global prices both

[Baroness Byford]
when we sell and when we buy in terms of our input costs. Over this, we and the Government have little control. I am very proud of our quality UK pig meat production, which, as the noble Lord has indicated, receives no financial assistance from the Government. It has been very proud to be independent and to run its own affairs.

The noble Lord, Lord Palmer, referred to the failure of the House of Lords to take on enough British bacon and pork. When one goes to the canteen, which I certainly will not mention, sausages are high on the list of what noble Lords eat. I hope that a big proportion of those, if not all of them, are British. I should be interested to hear what the Minister has to say on that.

I have put my thoughts into a number of sections: the first is the size of the sow herd; the second is consumer choice, particularly with regard to labelling; the third is regulations; and the fourth is public procurement and encouragement. Finally, in response to the question asked by the noble Lord, I will turn to what action the Government have taken in response to all that.

As the noble Lord, Lord Palmer, said, herd sizes are down dramatically. In 1990, there were 12,600, which went down to a mere 6,000 by 2003. The number of breeding sows reduced dramatically from 800,000 to 475,000 by 2003. In 2009, that was not much better at 440,000.

Why should that matter? The reduction in the quality breeding stock from what it was to what it is now is hugely worrying in maintaining good blood lines, let alone the basic numbers of pigs necessary for the industry. Global prices for pigs and pig meat slumped dramatically in 1997 and again, particularly, in 1998, which was after a not very good beginning even before that. Even the most efficient UK producers in those years lost money and many had to decide whether they would remain in or exit the industry. I have to tell the Minister that sadly we lost quite a few good, economical, commercial producers who said that they could not weather the storm, which they said was one stage too far.

On consumer choice, whoever we are dealing with tells us that it is all up to the consumer. But the consumers need to know where they are going. The noble Lord, Lord Palmer, implied that in his comments, and at the top of my list is clear labelling. When a person goes to buy something, they need to know what product they are buying, where it is from and, I hope, the country of origin. For me it is a matter of regret that two, if not three, Private Members' Bills started in the House of Commons by Conservative Members on the whole question of labelling and country of origin have been thwarted by the Government. They either talked them out or did not want to take the issue on board. I have to say to the noble Lord, Lord Davies, that that was a great mistake.

The correct labelling of country of origin would enable people to judge for themselves. I am not someone who says that people must buy British because we are in a global market, but they should at least be able to recognise from the label on a product where the meat was originally produced. Identification is hugely important, and I know that recently the European Union has come forward with some thoughts on the issue. When he responds, can the Minister bring us up to date on what is happening with labelling in Europe because I know that the issue has been raised?

I am old-fashioned, but I worry that a commodity that has been produced abroad but brought into this country for processing or having value added to it in any way can then carry a UK authority on it. That is not right. It was not right originally, it is not right today and it will not be right tomorrow. Let us hope that a new Government—it is a commitment of the Conservative Party—will tackle the whole question of labelling. As I say, I do not contend that we must buy British, but for goodness sake we must be allowed correct labelling so that we know the country of origin, whether or not something has been further processed here in the UK.

Quality Standard Mark pork labelling offers a good steer for people when they buy their meat. Indeed, over recent years we have seen producers gaining ground if they promote local issues. When we were in Southwold earlier in the year, I was delighted to note that one of the local restaurants clearly identified where all its food came from. The menu said, "Pork—two miles up the road", and so on. Again, it is important that people are offered some identification. However, I would suggest to the noble Lord that catering is another issue altogether.

I move on to regulations. Cross-compliance on farm inspections and the overlap we see on these inspections really needs to be reviewed. In addition we have seen the IPPC rules and regulations come in, along with the waste and nitrates directives. A lot is coming through for farmers to cope with. I am not against regulation, but it should be relevant, proportionate and subject to review. On the cost of IPPC implementation for UK farmers, can the Minister tell us what has happened to, say, farmers in Denmark?

I should like also to raise the whole question of building improvements. The Minister will know that it used to be possible to get an agricultural buildings allowance which in 2007 his Government decided to do away with. The allowance will expire in 2011. This has made a big difference to people because they would have invested in and improved their buildings in the future. I am surprised that the Government have not responded by changing their minds about this.

I turn briefly to public procurement, and here I think that the Government's record is woeful. On 4 February 2009 the noble Lord, Lord Hoyle, asked a Question that was responded to by the noble Lord, Lord Hunt of Kings Heath, which recorded that only 25 per cent of all bacon was British, a percentage that has risen to only 29 per cent. Pork of British origin stood at 65 per cent and has now risen to 74 per cent. But the figures are appalling, and are particularly worrying as regards bacon and ham. The 2007 BPEX annual report on imports stated that 70 per cent of pigmeat imported from the EU, not from other countries, would not be allowed to be produced in the way it is by UK producers. We trade globally, but surely we should be able to trade fairly. The situation we find ourselves in today is unacceptable.

I turn now to the sixth point raised by the noble Lord, Lord Palmer. He asked what the Government are doing. I believe that they could do better on public procurement; that they should have brought forward instead of ditching and in fact opposing legislation on labelling; that our regulations should be relevant and proportionate; and that businesses should be free to do what they can do best. I would like to see the reinstatement of the agricultural building allowance scheme. Lastly, as mentioned by the noble Lord, Lord Palmer, because there is not time to go into detail, as regards the use of GM crops in this country, our farmers have extra costs not having them.

All is not doom and gloom. We have a wonderful industry in this country. The national pig association, BPEX, does a tremendous job for us, as does LIPS, the ladies who do so much for promoting pigs and the pig industry, and more recently, in 2009, Jamie Oliver and his programme, "Jamie Saves Our Bacon". Local restaurants, local people and local initiatives could make a huge difference and I am grateful to the noble Lord for raising this tonight.

9.10 pm

Lord Livsey of Talgarth: My Lords, I have acute sinusitis and I apologise if somewhere in my speech it takes me over. It is a long time since I have been involved with the British pig industry. I am delighted that the noble Lord, Lord Palmer, has brought this to the attention of the House. I managed a farm in Perthshire on an estate with 70 sows producing 600 bacon pigs. In those days, the pig cycle, which ran for four years, was a classic economic model. Sometimes prices were up, sometimes they were down. The amazing thing is that this pig cycle vanished in 1998. The noble Baroness, Lady Byford, explained some of the reasons for that. It is now not as predictable as it once was but you could make some money out of pigs, somewhere in the pig cycle, in the past. We took the pigs right through from birth to bacon. The quality was superb and when we got a good price we were making a profit. In the price dip we made significant losses. It is a classic supply and demand cycle of the case that was mastered by JK Galbraith, the economist who famously was brought up on a dairy farm in Ontario and was of Scots origin.

I studied the system academically, and I came to realise that 80 per cent of the variable cost of production in my pig production at that time was in the cost of feed, cereals and grain, and the volume of that was substantial. The opportunity cost of feeding cereals to pigs when our grain could be sold well on the open market, and sometimes malting barley for example, just did not add up in the lean years. Reluctantly, I came to the conclusion that this enterprise was taking the rest of the farm down on occasions. It was a 1,500 acre farm and it was an easy decision, as the farm was better suited to beef, sheep, arable and developing two dairy herds.

Noble Lords will not be surprised to learn that I discovered latterly that the British pig industry was in substantial decline. Certainly from my own experience that does not surprise me. On examining the situation, the impact of legislation on the banning of sow stalls, which I certainly agree with, and the nefarious practices of the supermarkets had undermined the marketing of quality British pigs since the time I was involved.

The technical advances in breeding, welfare and feed utilisation have been excellent, but the rewards have not matched the time, expertise and know-how of the British pig producers. At one time in my own country of Wales, many farmers formed co-operatives of pig weaner groups, keeping sows and marketing weaner pigs to fattener/finishing enterprises in the arable areas. That, too, has gone by the board. The development of large-scale outdoor pig enterprises has improved welfare and produced good quality pigs, so the pig farmers have done their bit and, in spite of all these desirable improvements, the UK pig industry remains in decline.

The reasons for decline have been given by the noble Lord and the noble Baroness, Lady Byford. However, it is astonishing that from 1998 until today, the number of sows in the country has almost halved. Indeed, the combination of reasons for this occurring, with welfare legislation not being rewarded by retailers and the Government not enforcing their commitment to ensure welfare standards that should be rewarded by the market, means that the result has been a free-for-all and more imports have come into the country.

Pig meat supply chains have been admitted to be dysfunctional, and the result has been the exploitation of primary producers. Indeed, from time to time, increases in feed prices have not been compensated either. The impact of foot and mouth and swine fever has also played its part. The pig meat supply chain task force has been an interesting matter, which has come forward as an initiative by Defra. Why we have to wait until now to have such an organisation to look at the whole supply chain I am not quite sure, when a massive amount of imports have come in for a long time from Brazil and EU countries, all with lower welfare standards. Even the public sector food initiative cannot control it; with only one-third of UK bacon and two-thirds of UK pork being of UK origin in public sector purchases. Low-energy, lower environmental impact buildings are important, yet we have lost the agricultural buildings allowance. What we want is fair treatment for the pig industry and, indeed, retailers to market whole pigs and not just choice parts of them. Indeed, the pig is a wonderful animal, and most of it can be consumed.

I congratulate the Government on the creation of the pig meat supply chain task force. The first overall report, produced this February, covered sub-groups' and workstreams' reports, food labelling, public sector procurement, pig herd health, environmental requirements, research and development and supply chain co-operation. These are all extremely important to the industry, but it is coming very late in the day. The real worry to me is the uncontrolled power of the big four supermarkets, with 80 per cent of the retail market. The supermarket retail ombudsman has taken ages to install. We Liberal Democrats ran a six-year campaign to get a fair deal for British farmers through the ombudsman; even now the ombudsman is not fully installed, and I should like the Minister to tell us what is happening in that respect.

[Lord Livsey of Talgarth]

The big four are really only interested in their bottom line. They are run by accountants and that is their main observation. The discounting of primary produce is against UK producers' viability, not just in pig meat but in dairy produce. Seven producers a week are going out of business, our ewe flock is down 20 per cent, beef is in short supply and the UK is only 60 per cent self-sufficient in temperate food. Now we pay £23 billion in a time of great stringency to import food that we could produce ourselves here in the UK. The next Government, of whatever colour, must take urgent action, because the nemesis on the horizon is that we will not be secure in our food supply. That is an extremely urgent matter, given that the world's population will rise from 6 billion to 9 billion halfway through this century.

9.19 pm

Lord Taylor of Holbeach: My Lords, I congratulate the noble Lord, Lord Palmer, on securing this debate, the last set-piece debate of this Parliament, if I am not mistaken. I declare an interest as a member of the NFU, which has submitted a briefing, and as a farmer, although we keep no pigs. In that latter declaration lies clues to the changes that the pig industry has undergone. We kept a pig or two and every farmer kept a few pigs; fed on waste, they were part of farming activity and country living. However, the buildings which we used to house the pigs are now rather smart offices, and thus things change.

I shall not turn to Wodehouse and his Empress of Blandings, but the fictional world of Lord Emsworth—not known, I believe, to have taken his place here—epitomised pig-keeping in the pre-intensive era. I remember the defunct local pig club, whose assets were used to fund a local playing field some 40 years ago. I wonder how many accounts still lie dormant across the country, memorials to a time when keeping a pig was an integrated social activity. These are different times and modern pig production, as my noble friend Lady Byford and the noble Lords, Lord Palmer and Lord Livsey, described, is a very different business. That is the operative word; it is now a business, and the Government should regard it as such.

Despite better recent returns and profitability, the industry remains vulnerable and volatile. Added to the conventional pig cycle of our economic textbooks are the pressures of increased fuel and feed costs. When feed, which represents 50 per cent of the cost of production, spiked in 2007, there was an immediate decline to widespread loss-making in the industry. More problematic has been the differential with other pig producers on animal welfare standards. In 1999, the UK quite rightly introduced a ban on tethers and close-confinement stalls for breeding sows. *Pig World* magazine has estimated that the move from stalls to loose housing with straw costs the industry £323 million. BPEX, the British Pig Executive, claimed that this added 6.4p per kilo to the ongoing costs of production. Even if that is disputed, the costs of British production and welfare standards undoubtedly place us at a disadvantage.

Noble Lords have talked of the decline that there has been in British sow herds; as a result, the industry is no longer able to supply the market here in the UK—added to which, there were outbreaks of classic swine fever, in 2000, and foot and mouth disease, in 2001 and again in 2007. Both of those hit the industry hard, leading to movement restrictions and the closures of export markets. There has been a slow recovery, but this is a difficult industry to be in because continued competition from cheaper imports within the EU means that the British pig industry has lower and less efficient production than its EU counterparts. As a result, parts of the retail, hospitality and public sectors choose to buy the cheaper products from overseas producers. We know this from the debates initiated by the noble Lord, Lord Hoyle, who is not in his place but who has presented a series of Questions on this issue to the Chairman of Committees. We only have to look at the River Room, where none of the bacon or sausages is actually from British produce.

Food labelling of pigmeat products has been described as ambiguous. People are not sure whether they are buying domestic pigmeat; labelling often does not tell the consumer whether the meat was raised to British standards of welfare. The industry believes that more accurate and helpful labelling would enable the consumer to make more informed choices about the pigmeat that they wish to eat. The financial and administrative burden placed on the producer by environmental regulations, in particular the integrated pollution prevention and control directive, and the waste and nitrate directives, has meant that pig farmers are faced with constantly having to combat what are, quite rightly, those public interest directives.

As the noble Lord, Lord Palmer, has said, pig producers are proud of their welfare standards and would not wish to return to the use of stalls, but they had expected both government and retailers to play their part and meet the pledges they made at the time always to source pork to equivalent UK welfare standards. Unfortunately, the reality has been very different and retailers later found it to be commercially unpalatable to source their imports from stall-free systems. Under pressure, they quietly reneged on their commitments. In 2005, the British Pig Executive estimated that at least 70 per cent of the pigmeat imported into this country would be illegal to produce in the UK due to our welfare rules. The British pig industry has been decimated partly as a result of being undercut by cheaper, lower welfare imports. This has more or less halved the national herd. The figures have been mentioned by all noble Lords who have spoken.

An additional concern is the EU stance on animal welfare in the WTO negotiations. In the interests of free trade the EU must not concede on animal welfare and puts its livestock producers in a position where it cannot block the import of meat below current and future EU welfare standards. That is why the noble Lord, Lord Palmer, is right to say that honest labelling is essential if British farmers are not to be put at an acute disadvantage in a highly competitive market.

Mention has been made of the supply chain. There have no doubt been many analyses of this, not least by the Defra Select Committee report in December 2008. I should be interested to hear from the Minister the Government's response to that report and what they have done as a result. The Government could take

other measures to help the pig industry such as getting the Office of Fair Trading to provide clear guidance on permitted supply chain discussions. At the moment, as the Minister will understand, there are restrictions on the way in which the industry can combine in its price negotiations with supermarkets. Above all, we need a Government who will seek to ease the burden of regulation on all farmers and growers.

The good news is that the NFU and the Environment Agency have launched a pig and poultry assurance scheme to reduce the effect of the environmental permitting regulations on farms by about £850 per annum. This must be the way forward. It will result in a fall in Environment Agency charges consequent on farms attaining a high state of compliance with the regulations. Inspections will be reduced to one a year from the current three. Those inspections will be carried out by the certification bodies using staff trained by the EA. The new scheme is supported by Assured Food Standards, the National Pig Association, the British Poultry Council and the British Egg Industry Council. Following the successful introduction of the voluntary initiative, it is to be expected that the scheme will work well, but £850 per farm will not resuscitate the industry all by itself, albeit it is a very worthwhile development.

I anticipate that the Minister will make it clear that the Government know all about this. What the UK's pig farmers are looking for is a Government who actually believe in them and create an environment in which they can be a competitive and successful supplier to the British consumer and make sure that it is British bacon and British sausage on the plate at breakfast.

9.29 pm

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): My Lords, I am grateful to all noble Lords who have participated in this debate, particularly the noble Lord, Lord Palmer, for securing it and introducing it in such a clear and forthright manner. I recognise the points that he made in his opening contribution.

Everyone has declared an interest and I have an interest in pigs as well, albeit a minor one. My younger son took all his holiday jobs with a local farmer, Peter Ashley, who wrote regularly in the farming press and was a good employer. He introduced my son to pigs and I learnt a great deal, not least the sheer joy of working with animals that are so intelligent and so rewarding to herd and look after. I was unable to sustain that interest to quite such an extent until I arrived at Defra. I greatly enjoy the opportunities that debates such as this provide for extending my knowledge, as I derive insights from all parts of the House.

I recognise the point made by the noble Lord, Lord Palmer, that for many years the UK pig industry has struggled with poor pig prices, cheap imports, old buildings due to lack of investment and the problems of herd health. This led to a 40 per cent decrease in the UK pig herd and a 36 per cent decrease in production over the past decade. That trend is reversing. Noble Lords have been fair in contributing to this debate in seeing hopeful signs for the future. For the first time in more than a decade, the UK pig industry finds itself in profitability over this last year. Pig farming rose substantially in 2008-09 and the expected income for the year ending February 2010 will undoubtedly continue this trend, although we do not yet have the figures available. The increases have mainly been driven by rising pig prices. The average monthly finished pig prices have shown year-on-year increases since September 2007. There are also some reductions in import costs, particularly for feed.

The noble Baroness, Lady Byford, raised the rather challenging issue of GM soil and GM foods. We support the principle underlying the existing EU controls that allow market access for GM products provided that they pass a robust case-by-case safety assessment. The British public expect us to approach GM foods and feed in these terms. I appreciate that other parts of the world move more rapidly in this direction than Europe. The UK is not at the back of the train in Europe; we reflect a general European anxiety about the issues of GM foods, which means that these things are decided on a case-by-case basis. We are pleased that, through pressure from the British Government, the speed in agreeing that certain GM products can be used has improved in recent months.

The weaker pound against the euro also played its part in helping to underpin pig prices in sterling. For example, in 2008 the cost of production for UK pigs increased by 12 per cent but the increase for the rest of Europe was almost twice that. The comparative competitive position has improved as far as the UK is concerned.

I accept that the industry has been starved of funding for many years during the periods of unprofitability. The investment going in now is much needed. We recognise the points emphasised by the noble Lord, Lord Palmer, in his opening remarks and supported by other noble Lords who have spoken in this debate that there are barriers to sustained profitability. The issue of the economic resilience of the industry must be addressed. I will indicate some helpful ways in which we are tackling those issues and the progress being made.

The EFRA Committee inquiry, reflected on in this debate, identified some important issues and all sectors of the pigmeat supply chain gave evidence to it. The inquiry concluded that there should be more co-operation between all segments of the pigmeat supply chain.

The noble Lord, Lord Livsey, asked why the establishment of the supply chain task force did not take place earlier. The stimulus came from the careful analysis that EFRA carried out, but there had to be the will on the part of the industry because this is a partnership in which all must play their part. The pig meat supply chain task force was established in February 2009 for one year's intensive work on how to improve the industry. It brought together all the key players in the industry, and a great deal has been achieved.

Lord Livsey of Talgarth: I have a simple question. There are 18 members of the task force. Only one represents consumers. Six represent producers and five represent the big four supermarkets. Would the Minister say that that is an equitable situation?

Lord Davies of Oldham: The key issue is the quality of the work being done, and the progress that has been made by the task force. There is no doubt that it has achieved a great deal during its year. The task force agreed a number of measures that commend themselves to the House, judging by the contributions to this evening's debate. The task force was concerned about the competitiveness and environmental performance of the industry. This endorses the important point emphasised by the noble Lord, Lord Palmer, about the voluntary code of practice to provide clearer labelling, which will benefit consumers and the supply chain. New guidance will assist public sector procurers to buy better-quality pig meat products that meet higher welfare standards. There is no doubt that labelling of great importance to that. There is not much point in us producing a higher-quality product if people are not able to choose it because it is not accurately labelled. Nor is there much incentive for those who produce to lower standards to improve them if they can produce a less expensive product that is not identified as not having reached the right standards.

We will have to wait until 2013 before these full standards are adopted across Europe: it is a long lead-in time. We wanted this to happen a great deal more quickly, but the price of getting the agreement of Europe to this position was a longer lead-in time than we would have liked. However, I hope that noble Lords will recognise that it is a very important step forward, and that the labelling issue is of great importance, particularly as the supermarkets have a significant role to play.

Baroness Byford: I am grateful to the Minister. Is it not a pity that, in 12 years of government, the Government have blocked Private Members' Bills that have been put forward to improve labelling and give people more choice? It must be one of the things that the Minister regrets, because it would have made such a difference.

Lord Davies of Oldham: Yes, but labelling is only part of this. We need the totality of the position endorsed. Certainly there is no point in talking about labelling unless you have a clear idea of how supermarkets are going to go about their job.

The noble Lord, Lord Livsey, asked about the supermarket ombudsman. This, too, is an important proposal, but anybody who thinks that one can achieve success in that area with a mere snap of governmental or ministerial fingers is misunderstanding the issue. It will take time before we have in place a code that will work for the ombudsman. We need agreement on the principle behind that. The code of practice came into force on 4 February and we have launched a consultation on how to enforce the code of practice under the role of the ombudsman. I accept entirely noble Lords' impatience with regard to this crucial issue, but it should be recognised how much progress is being made.

The noble Lord, Lord Palmer, identified the particular dimension of slurry. We welcome the pig industry's engagement on the use of slurry in anaerobic digestion, which has great potential. This was identified by the task force as a very important opportunity for the pig industry, and we are making progress in that area. I am very grateful to the noble Lord for having raised the point.

The task force has now finished its work, but the work it began continues, led by the pig industry itself. The sector will benefit, for example, from agreed measures designed to enhance herd health and biosecurity, and from greater collaborative working between the industry and regulators to make it less complex for pig farmers to comply with environmental regulations.

We welcome the improved buoyancy of the pig industry, and we must take advantage of these opportunities to press ahead. It means that there are barriers to be overcome. There is no doubt that there are aspects regarding the European position into which we need to put as much effort as we can to ensure that our European partners hit the same standards in their industries as we enjoy in Britain.

The important question of procurement was also raised. Noble Lords were kind enough to identify that even the House itself for which we all take responsibility —and there are quite a few noble Lords with discrete responsibilities—is not wholly clear with regard to its procurement policies. There is no doubt at all that we need to draw attention to this. Labelling will be of the greatest assistance in showing just what is being purchased, but there also has to be a will to ensure that what is recognised as identified by the label is a higher standard of product from the British industry. That is why the purchase should be made, even if at times it is not directly price competitive, because of the factors which have rightly been identified.

As far as Defra is concerned, lest noble Lords think I am shying away from my own direct responsibilities—and I am on the Refreshment Committee of the House of Lords so I am fairly guilty there as well—95 per cent of the bacon was sourced from domestic producers in the past year. We are certainly making sure that as far as possible we get close to 100 per cent compliance, and I look forward to being able to report on that in due course.

We acknowledge the work the industry itself has put into overcoming the challenges it has faced over the past decade. It is the case that a great deal needs to be done, but this debate has helped to identify the areas in which we now need to make progress, and I am grateful to the noble Lord, Lord Palmer, for having introduced it.

Lord Northbrook: My Lords, before the Minister sits down, by leave of the House with the time limit not being exceeded, and declaring an interest as an NFU member and a landowner, he has not answered the point of many speakers: the progress on food labelling has been appalling since the Government came to power. There is all this talk about the ombudsmen; after 12 years it seems that very little progress has been made on food labelling.

Lord Davies of Oldham: If the noble Lord had paid close attention to our position, I have identified the steps by which we have moved towards establishing the issue of food labelling. He will know that this is part of a European perspective: the whole issue about

this industry is that we cannot look upon the pig industry as just a UK issue. It relates very much to the competitive position with Europe, and unless we get labelling which identifies the British product and is also accepted as far as the European perspective is concerned as well, we are no further forward.

The noble Lord appears to think that these issues are easily tackled. They are not. We needed to get the industry together to address these issues and put its full weight behind these operations, and that is exactly the position we are in. This is despite the fact that a great deal needs to be done.

When it comes to the question of regulation, I hope the noble Lord is not suggesting for one moment that the pig industry was in a heavily regulated position and such regulation just needs a minor tweak and the issues are there. It is exactly the opposite. The pig industry operated for a great period of time completely within the market without regulation, and we have had to work hard with the industry in the taskforce to adopt the kind of regulation that can be effective.

Personal Care at Home Bill

Returned from the Commons

The Bill was returned from the Commons on Wednesday 31 March with a Lords amendment agreed to and with reasons for disagreeing to the remaining Lords amendments. The Commons reasons were printed in accordance with Standing Order 51(2).

House adjourned at 9.45 pm.

Grand Committee

Tuesday, 6 April 2010.

Flood and Water Management Bill

Committee (3rd Day)

3.30 pm

The Deputy Chairman of Committees (Lord Geddes): My Lords, in the unlikely event that there is a Division in the Chamber while we are sitting, the Committee will adjourn as soon as the Division Bells are rung and resume after 10 minutes.

Clause 35 : Provision of infrastructure

Amendment 98

Moved by ***Lord Taylor of Holbeach***

98: Clause 35, page 18, line 32, at end insert—

"(1A) This section shall only apply to the provision of infrastructure which (in the opinion of the Minister) may pose a significant risk to the undertaker's ability to carry out its duties.

(1B) In exercising an assessment of risk as set out in subsection (1A), the Minister must have regard to—

(a) the financial commitment of the infrastructure provision compared with the turnover of an undertaker, and

(b) the technical complexity of the provision of infrastructure."

Lord Taylor of Holbeach: My Lords, I hope that we can treat this as a quiet oasis. On a day of great excitement, we can at least have the therapy of engaging ourselves in this Bill, which, along with all noble Lords, we welcome.

Amendments 98 and 99 concern the regulation of the provision of infrastructure. Under the proposals in Clause 35, providers of services, such as water companies, would not be able to bid for a large-scale infrastructure project. I understand the reasoning behind this but I would like to probe the mechanics further. We are dealing with large, often complex and expensive construction projects where, if I have understood the Government's thinking, should things go belly up, if I might use that phrase, there is a risk that customers all the way down the supply chain will suffer—for example, through higher prices for their water supply.

I have some sympathy for that position but we should be careful not to exclude the very companies that have the skills, the expertise and the experience from participating in the work at which they might be very good. Surely there is also a risk that if a major infrastructure provider is not able to tender a bid for a project because it is a service provider, the work may have to be done by a company or companies with less skill and experience. The risk of project overruns, escalating costs and expensive mistakes would therefore not be diminished.

What protection is there for consumers in a scenario such as that? Does the protection lie in a contractual cushion so that the losses are absorbed at a level above the consumer? If that is so, could a contract involving a service provider doing its own construction not be framed in a similar way, perhaps guaranteed through the involvement of Ofwat?

I am happy to hear the Government's no doubt exhaustive research into this area, but I am also wary of losing the skills of water companies that would, if everything goes according to plan, make the process easier, quicker and cheaper in order to protect against a worst-case scenario where everything goes wrong. Is there a more flexible approach? Amendment 98 is therefore an explicit requirement to apply these new provisions only to cases where the Minister considers that there is a significant risk to consumers, which would perhaps catch only the most complex of cases.

Amendment 99 would allow water and sewerage companies, and companies associated with them, to bid in the tendering process. I hope to explore with that how the accumulated expertise of these companies can be harnessed to facilitate the construction of major infrastructure projects. I beg to move.

Lord Faulkner of Worcester: My Lords, I welcome the opening remarks of the noble Lord, Lord Taylor, with which we entirely concur.

Clause 35 provides for a new regulatory regime designed to cover exceptional high-risk infrastructure projects. An important part of the regulatory regime is the requirement to put such projects out to competitive tender. Currently there is no requirement, but incumbent water companies do this. The new regime will also enable such projects to be designed, built, owned and operated by newly regulated third parties.

During debate in the other place concerns were expressed that the original drafting of the clause did not make it clear that the application of new regulations would be limited to exceptional high-risk infrastructure projects and that other water and sewerage infrastructure would continue to be deliverable by the incumbent water companies under Ofwat's well-known existing regulatory framework. In response, and in close consultation with the industry through its representative, Water UK, the Bill was amended by the Government to make this limitation explicit. The amendment can be found on page 19 of the Bill, at lines 8 to 16. Therefore, Amendment 98 in the name of the noble Lord, Lord Taylor, has been addressed through the government amendment.

Amendment 99, to which the noble Lord also spoke, would modify the new regulatory regime's prohibition on undertaker involvement in delivering exceptional high-risk infrastructure projects. The aim of this new regulatory regime is to mitigate customers' exposure to the potentially severe financial consequences of delivery problems regarding these exceptional projects whereby delays and cost overruns may be significant. Allowing undertakers to bid on these projects, as Amendment 9 would allow, is thus directly at odds with the overall aim of this new regime.

The regulations will, however, have to specify also the extent to which an affiliate of the undertaker may bid for such work. Although the involvement of affiliates has not been completely ruled out, when we draw up our regulations we will need further to consider, in

[LORD FAULKNER OF WORCESTER]
consultation with stakeholders, the extent to which it may be possible for affiliates to participate without undermining the policy objectives of the regime.

In addition, I emphasise that these provisions do not exclude the undertaker from directly delivering the parts of such projects that are less risky. We should also make it clear that the prohibition on undertaker involvement relates to the undertaker for the service area that will benefit from the infrastructure in question. An undertaker serving a different geographic area would not automatically be prevented from bidding for or delivering the infrastructure and being designated as an infrastructure provider under these regulations.

We recognise the considerable achievements of the water industry over the past two decades, and we will continue to rely on its expertise to deliver low-risk infrastructure and, crucially, to manage the tender process for higher-risk infrastructure. However, the second amendment would undermine the overall policy objective of the new regime, which is to ensure that customers are adequately protected from risks in respect of these exceptional high-risk projects and that customers ultimately receive value for money.

I hope that, with that explanation, the noble Lord will feel able to withdraw the amendment.

Lord Taylor of Holbeach: My Lords, I am grateful to the Minister for his explanation which, as he described, represents a wise precaution. I can understand the Government's desire to protect consumers, as indeed we would seek to do. I hope that the Minister will bear in mind that these regulations should not be drafted in a way such that some of the expertise which is rife is excluded. We are dealing with companies whose ownership and make-up may be extremely complex. They have specialist divisions that can contribute enormously to all sorts of infrastructure projects—particularly some of these high-risk ones. Finding a way of regulating, controlling and providing a cushion for consumers will be key to this. I hope that the Minister will bear that in mind in his discussions on the regulations. I beg leave to withdraw the amendment.

Amendment 98 withdrawn.

Amendment 99 not moved..

Clause 35 agreed.

Clause 36 : Water use: temporary bans

Debate on whether Clause 36 should stand part of the Bill.

Lord Taylor of Holbeach: I oppose Clause 36 standing part of the Bill not because I have any great problem with it but for the purpose of initiating a general debate on hosepipe bans. I indicated at Second Reading that I had been approached by members of the horticultural trade about the problem of blanket hosepipe bans and the deleterious effects that they may have. I am a member of the Horticultural Trades Association, an interest I declared at the commencement of the Committee stage, and a professional horticulturalist.

The HTA has been very active in this area. The industry recognises—as we all do—that when there are water shortages during drought conditions, the use of water needs to be restricted. However, it is important that gardens are maintained during drought conditions through the sensible use of water, while banning wasteful use. In order to allow users to act responsibly and sensibly during water shortages, there are good reasons for supporting a clear and consistent code of practice—to be adopted across all water companies in the UK—in regard to restrictions on use; otherwise, water companies will be able to take differing approaches to the introduction of temporary bans.

There is a deep concern among members of the industry that water companies can bring in blanket bans instead of phased introductions of restrictions. These could include watering only at the beginning or the end of the day, or on alternate days, which, from my experience, is what happens in France when droughts are declared. Without a proportional and clear code, the actions of water companies can unnecessarily and negatively impact on domestic gardeners and the horticultural industry alike.

During the drought of 2006, confusion was caused among residents in drought areas over where and when gardens could be watered. This confusion was a result of inconsistencies in the orders issued by the various neighbouring water companies on how people could or could not water their gardens. This problem was augmented by the fact that in certain areas with similar geographical profiles and water conditions, a number of small water providers each introduced differing restrictions. As there was no consistency across the companies, many people received conflicting advice.

This, in turn, put people off gardening—specifically buying plants and planting them in their gardens—which negatively impacted on the environment and the health benefits of gardening. For many people—particularly for the elderly—gardening is a significant form of exercise. My wife will laugh if she hears this contribution.

The halt on gardening due to this confusion led to a downturn in sales at garden centres, thereby significantly affecting their business. Garden retailers in the south-east were particularly affected by these measures as it is often the area where droughts hit hardest. It was estimated that their income loss reached around £12 million as a result of the 2006 bans. Each retailer reported a 10 to 30 per cent sales loss, which led to significant staff redundancies. The garden retail sector brought in £5.35 billion of sales in 2008, but this included a 10 per cent increase over the previous year in grow-your-own products. Under a hosepipe ban, grow-your-own products are vulnerable. An omnibus survey conducted by the HTA in 2006 revealed that almost one in three households said that they would reduce their expenditure on plants and gardening products as a result of hosepipe bans being introduced.

The HTA gave an example of one member's experience—a business which supplies hanging baskets to a chain of public houses—where orders were placed and preparation for production was made in January 2006. However, in May, a water company informed the chain that public houses would not be able to use watering systems to irrigate hanging baskets. The chain

promptly cancelled the order, causing extreme difficulties for the member. However, as public houses are commercial properties they are not affected by hosepipe bans and the situation should never have arisen. Although this may seem a trifling point to some, the risk of confusion can lead to considerable loss of income, which is an especially acute problem during times of economic hardship.

The Bill provides a useful opportunity—I am sure that members of the HTA and many others would appreciate this—for the Minister to provide clarification and an assurance that the code of practice, which has been with the Government for some time now, is on the verge of being adopted.

3.45 pm

Lord Greaves: My Lords, I do not have the horticultural experience, expertise or involvement of the noble Lord, Lord Taylor. Indeed, we have an extremely small garden and I have absolutely nothing to do with it as a matter of principle. However, like the Conservatives, we have had interesting discussions with the Horticultural Trades Association. I will not repeat everything that the noble Lord has just said on its behalf, but there appears to be a strong case for water restrictions being both clearer and more sophisticated in how they operate. I, too, will be interested to hear the Minister's response.

Baroness Fookes: My Lords, I support most strongly the very strong case put by my noble friend Lord Taylor. I, too, have been approached by the Horticultural Trades Association but my only interest is as a keen but very amateur, as opposed to professional, gardener. My noble friend Lord Taylor has already indicated the great difficulties that occurred during the drought of 2006, but I will concentrate this afternoon on the code.

The Horticultural Trades Association has put forward three clear principles on which the code should be based. First, it should be fair and proportionate to the difficulties involved—that is, the extent of the water shortage. Secondly, it should be consistent, particularly where the circumstances are the same but there may be different water companies operating to a different schedule. Thirdly, consumers should be made clearly aware of whatever restrictions there may be. I cannot stress that too strongly. Many of the difficulties in 2006 arose because consumers did not know what the situation was. I know that stabs at the code—if I may put it that way—have already taken place, but I am not sure that, so far, they have been altogether satisfactory.

My plea to the Minister this afternoon is for urgent attention to be given to making that code more sophisticated and appropriate. It is extremely important for a sector of the industry in England which is often overlooked. It is important to address its interests and those of all the amateur gardeners such as myself, who want to co-operate when there is a water shortage but, at the same time, want to see that things are dealt with fairly and in a way which is adapted to the situation. My noble friend has indicated the ways in which this might happen, including watering every other day and watering only in the evening. Also, what may or may not be watered? I think newly sown lawns have been suggested as a priority, whereas there is no point in watering established lawns. However yellow they look, they recover when the rains come. In times of shortage, watering them is not appropriate. My real request this afternoon, given that there is no way in which a very complicated amendment could be put before us in the time available, is for the Minister to take urgent steps to look at the code as it presently exists to improve on it and bring it into force.

The Earl of Selborne: My Lords, I also declare an interest as a commercial horticulturalist. I support my noble friend in his proposal. I chaired the House of Lords Select Committee on Science and Technology's report on UK water management in 2005-06. We took evidence from Australia. We thought it would be instructive to see what happened to a country which had a 10-year drought—the "big dry"—and how it reacted to it and managed its own water supply issues. In many ways, while it was impressive to see how aware Australians are and how well the bills describe their comparative situation with other households, the one area in which I thought they failed lamentably was in adapting their horticulture to cope with the big drought. In other words, throughout Australia, in cities such as Melbourne and Canberra, you see gardens which would not look out of place in Surrey.

The message that I would give my fellow horticulturalists is that, given that periodic droughts and therefore temporary water pipe bans are going to be a fact of life, the horticultural trades should be urged to look at this as an opportunity rather than a threat. After all, many horticultural systems do not make heavy use of water. You can use things such as mulches rather than irrigating, and you can of course go for succulents and suchlike if that is your idea of a beautiful garden. However, I suggest that there are opportunities to reduce water use in gardens without making such dramatic changes to what we would consider to be a normal English garden.

Having said that, I entirely agree with my noble friend that codes of conduct which allow people to recognise the practicalities of their gardening systems and of the production systems in their gardens and which do not criminalise people for acting in a way that protects a very important asset—in other words, acting in a reasonable way—would be enormously helpful. At the moment, there is a danger that the very rough justice imparted by blanket bans will criminalise whole sections of society, and that surely cannot be right.

Baroness Byford: My Lords, I support my noble friend's opposition to the clause not standing part. I speak perhaps on behalf of all those who increasingly try to grow their own food. As the Minister knows very well, even this Government—some of us might say belatedly—have come to recognise that food security is very important. Whereas in recent years it was declining, there is now a keen and growing interest in allotments, and many families are trying to grow more in their gardens, even if only on patio areas.

I shall not repeat what my colleagues said about professional gardeners, because that is another matter. However, the most important thing that we have heard from today's contributions is that, where two different

[Baroness Byford]
water companies within the same area are dealing with the same problem in the same climatic conditions, they should be given a very clear steer as to how that might be approached. Clearly, the situation in Cumbria would be different from that in the south-west, and even more so in the south-east, and in Lincolnshire and East Anglia. However, even in those areas, water companies will sometimes overlap. I hope that the Minister will be able to give us an indication as to when these codes of conduct will be produced. Ideally they should be produced before the Bill passes but I presume that that will not be possible with Parliament proroguing very shortly.

I conclude by adding my support for my noble friend's contribution—particularly the way that he approached the question of using water at different times and in different ways. I know that when the water Bill went through the House about five years ago, we had quite a long debate in this Room about the whole question of how irrigation could be used and about the way that traditionally businesses had been able to draw water, which will obviously be more restricted in future. I think that this is the first legislation on this matter since that time and we need to ensure that we get it right.

Lord Faulkner of Worcester: My Lords, this has been a very interesting debate and I am sure that the horticultural industry will be heartened by the very eloquent speeches made in defence of its interests. There are very few Members of your Lordships' House who know more about this matter than the noble Lord, Lord Taylor of Holbeach, and I bow to his superior knowledge of the industry.

This clause replaces the existing provisions in relation to hosepipe bans in Section 76 of the Water Industry Act 1991. The clause lists the uses of water which a water company may temporarily ban under its own powers, extending existing provisions which enable water companies temporarily to ban the watering of private gardens and the washing of private vehicles by hosepipe or similar apparatus. This is in order to manage actual or anticipated serious shortages in public water supplies.

The noble Lord, Lord Taylor, referred to the problems of the 2004-06 drought. The existing powers, which allow water companies to restrict the watering of private gardens and the washing of private motor cars by hosepipe or similar apparatus, gave rise to much criticism of the water companies by their customers. The focus of the powers was seen as unfair and unreasonable, since very heavy uses of water, such as the filling of private swimming pools, were able to continue. The powers had not been updated since they were originally enacted in 1945 and no longer reflected modern, non-essential uses of water.

Widening the scope of the existing hosepipe ban legislation would therefore enable water companies to conserve more water for the public water supply at an earlier stage during a drought, thus helping to ensure that public water supplies for essential needs can be maintained whatever the severity and duration of the drought. It could also help defer or avoid the need for non-essential-use drought order powers, which impact more widely on businesses such as the horticultural industry. Ultimately, emergency drought order powers, which would have significant cost for domestic customers, businesses and the environment, could be avoided as well.

A number of your Lordships referred to a statutory code of practice on restrictions. I point out to the noble Lord, Lord Taylor, that a voluntary industry code has already been adopted; it sets out broad principles of consistency, transparency and so on, but it is not right to set it out in prescriptive detail in the Bill. However, discussions with the horticultural industry are already under way. My honourable friend the Minister in the other place, Huw Irranca-Davies, met representatives of the HTA and Waterwise on 23 February to hear their concerns about the code of practice. He undertook at that meeting to work with the water companies, through the statutory drought planning process, to ensure that their revised drought plans set out clearly how they anticipate using their powers, including their broad priorities for conserving water and the types of concession or phasing that they propose to introduce, and to ensure that they took account of stakeholder and customer views of the sort which we have heard reported in the Committee today. The Minister suggested that, by way of a first step, and following Royal Assent—but not, I am afraid, before it—he meet water companies to explore how they could work together and with stakeholders when developing a framework for managing the flexibility that these powers could give them to manage water shortages, and how they could best communicate their draft and final proposals to stakeholders and customers and obtain their views. That meeting will follow immediately after Royal Assent to ensure agreement on the sort of code of practice which we think should be in place.

Baroness Byford: Will it be a formal consultation or just an informal discussion?

Lord Faulkner of Worcester: It is an informal discussion, but one which the Minister has given an undertaking will take place.

Clause 36 provides an enabling power to allow the United Kingdom Government and the Welsh Assembly Government, through affirmative resolution order, to add further uses of water to, or remove them from, the list of water uses that could be prohibited or restricted in these circumstances. The flexibility is important, and is one way in which we can help industries which are most concerned about the provisions. This will allow the two Governments—the United Kingdom Government and the Welsh Assembly Government—to keep under review the most effective mix of water uses that water companies should be allowed to restrict, taking into account a whole range of criteria, including costs and benefits, changing patterns of water use and the impacts of climate change.

4 pm

One of the points underlying this clause is that it provides for flexibility in the ways that water companies use their powers, and enables the Governments to

define words and phrases to clarify the extent of their power and provide for exemptions on restrictions where appropriate. That was one of the main concerns about the inflexible approach adopted during the 2004-06 drought period. We will work with the water companies through the statutory drought planning process to ensure that their revised drought plans set out clearly how they anticipate using their powers, including their broad priorities for conserving water and the types of concessions or phasing they propose to introduce; and to ensure that they take account of the views of stakeholders and customers, such as, obviously, the horticultural industry. We are determined that its views should be taken into account. The flexibility in this clause justifies its inclusion in the Bill. I hope the Committee will agree that it should stand part.

Lord Taylor of Holbeach: My Lords, I thank the Minister for that explanation and for the development of the thinking behind this clause. The water section of the Bill has indeed been somewhat reduced because of the truncated time available in this shorter Session of Parliament to bring legislation forward. It is useful to know that the Government take the view that there is ongoing discussion to be had on this subject, which is very important. Not just horticulture but business in general has learnt the importance of preserving and safeguarding water. It is certainly true that householders, too, have learnt the lessons of the summer of 2006. In some ways, the informal arrangements that people have made to collect their water in butts are probably the most effective things that they could do.

I am grateful for the Minister's explanation and the seriousness with which he has taken what was, after all, a probe on this clause. I thank him for that.

Clause 36 agreed.

Clause 37 agreed.

Clause 38 : Incidental flooding or coastal erosion: Environment Agency

Debate on whether Clause 38 should stand part of the Bill.

Lord Taylor of Holbeach: My Lords, unlike in the previous debate, I oppose the question that Clause 38 should stand part of the Bill not as a probing exercise but because we would have a better Bill if it were removed. Clauses 38 and 39 are twins. They both allow for flooding or coastal erosion to take place, provided that certain conditions have been met. That, at first glance, appears to be something of an oddity in a Bill which is designed to manage, curtail or prevent flooding or coastal erosion. However, I suspect—and I have not heard or seen anything to counter my suspicions—that the Government saw the Bill as a convenient, though not necessarily crucial, vehicle for these clauses and decided to make use of it.

My reason for saying that is because Clauses 38 and 39 have less to do with managing flooding and everything to do with managing the environment—specifically, with meeting targets under the European Union's habitats directive, which requires a certain amount of land to be returned to a state in which it supports wildlife. Whether the directive is right or wrong, whether it makes the right or wrong demands on land, is not strictly relevant today, although I am sure noble Lords have views on that. The directive is a reality. The issue that I am raising is not about whether, but how, environmental targets should be achieved. I am not proposing, as some have feared, to do away with the power to allow some farmland to flood or erode for the benefit of the environment. I am, however, challenging the right as to who may take the decision to allow that to happen.

I said at the outset that Clauses 38 and 39 are twins. Both grant powers to permit work which causes land to flood or erode, if that work is in the interests of nature conservation, the preservation of cultural heritage or people's enjoyment of the environment or cultural heritage, and if the benefits of the work outweigh the harmful consequences. Both clauses have those criteria at their heart. The difference between the clauses is, of course, that under Clause 38 the Environment Agency is the body which will make these judgments, weigh up the arguments and make a decision—against which there is no appeal.

Under Clause 39, the body making the decision is the local authority. The primary difference is democratic. One body is elected; the other is a quango—no matter how respected it is, it is still a quango. It is my firm view that decisions such as these, which will not be universally popular and which may impact on property prices and the character of local areas, should be made ultimately by a body which is accountable to the community it serves. That accountability is, when boiled down, one of the fundamental points of local democracy.

As to the argument that the Environment Agency must be involved because of its strategic overview, expertise and money, I agree that the Government in their wisdom have drafted a neat clause in Clause 39 such that if we were to drop Clause 38 altogether, the Environment Agency would nevertheless be ensconced in the process. Under Clause 39, the local authority cannot make a decision unless it has consulted the Environment Agency. The local authority must go the agency and I cannot see anything which would prevent the agency coming forward unbidden with advice. It need not be an entirely passive player.

Under Clause 39(8), the local authority can arrange for the Environment Agency to carry out the proposed work. Under subsection (10) the agency may make grants to local authorities for the work to be done. In other words, if we excise Clause 38 but retain Clause 39, we retain the strategic benefits of the Environment Agency and access to its skills and expertise, and to its financial wherewithal. What we would lose is the right for an accountable agency to make decisions on whether harm outweighs benefit. The executive power stays with local authorities where it rightly belongs. I am grateful that the Government have drafted such a thoughtful clause, because that has convinced me that Clause 38, as well as being wrong in principle, is superfluous to what this part of the Bill seeks to achieve.

[Lord Taylor of Holbeach]

As I have said previously, we have a good Bill. If the Government agree to remove Clause 38, we will have a better Bill.

Baroness Young of Old Scone: My Lords, I should declare an interest as an ex-chief executive of the Environment Agency, before I speak against the proposition that Clause 38 disappear from this Bill. It seems slightly strange that the Environment Agency, as a flood authority, wants to flood things but often needs to take account of where water is best placed. As the noble Lord, Lord Taylor, outlined, it also has other responsibilities under the framework directive and nature conservation legislation, including the habitats directive. Much of the work that the Environment Agency will be trying to undertake under this clause is to take account of the effects of the reduction in flood risk on habitats and to replace that habitat elsewhere in a way that takes account of the fact that damage had been caused by flood defence activities. However, on occasion, it might simply also be in the process of improving the environment for wildlife and people. I am somewhat bemused that Clause 39 has gained favour while Clause 38, which, as the noble Lord, Lord Taylor, said, is its mirror image, has not.

Several times during our deliberations on the Bill we have discussed the roles of the Environment Agency and local authorities. The Environment Agency's role is to have responsibility for riverine and coastal flooding and to take account of national and local issues in dealing with those two sources of flooding. The role of local authorities is to deal with flooding from ordinary water courses and surface and ground water. Therefore, if this clause were to disappear, the Environment Agency's role, which, as set out throughout the Bill, is to work on a basis bigger than that of a single local authority and to deal with issues relating to main river and coastal flooding and erosion on a scale bigger than that of an individual local authority, would be severely compromised.

The Environment Agency, as the lead water management agency, has responsibility to improve the water environment for the benefit of local communities and wildlife, and it has legal obligations under the water framework directive and nature conservation legislation. However, that will not cut much ice if the real concern is not whether those objectives are pressed forward. Clause 39 is aimed at pressing forward those objectives but has not gained opprobrium from the noble Lord, Lord Taylor, so what is the difference between Clauses 38 and 39? The noble Lord mentioned democratic accountability but we have to recognise that, like it or not, the Environment Agency is a government agency and, with all the responsibilities placed on it by this Flood and Water Management Bill, it will never be a democratic organisation. However, in exercising its duties under this clause, it is so hedged around by controls, checks and balances that I hope I can persuade the noble Lord that it will be unable to act other than responsibly—not that it would act irresponsibly—and therefore I hope that he is reassured.

Is this clause anti-landowner? I do not think that it is. In many cases in the past, the Environment Agency has supported environmentally friendly land management. It has worked with landowners and other partners to improve local environments and has helped farmers and landowners to qualify for agri-environmental subsidies in their ongoing management of the land. Often, this has been poorer-quality land which, frankly, would not be of benefit for mainstream, high-profit farming activities and where getting some agri-environmental, higher-tier payments has been quite beneficial. In the past, the Environment Agency has worked with local landowners to ensure that that has happened. The Somerset levels are a key example of where, over many years, the agency has worked with local farmers to gain subsidies for them. The management of the broader levels for farming, wildlife and flood control has been an example of such partnership, and this clause allows the Environment Agency a bit more flexibility to get these things to happen in the right place—often, as I said, in areas of low agricultural productivity.

If the Environment Agency can create habitats only in very close association with, and as a slightly clandestine part of, flood-risk management schemes, which is basically what it does at the moment, then it is looking at land close to a flood-risk management scheme which may not be best either for the landowner or for wildlife or flood control. Therefore, this clause gives the agency much more flexibility.

The other worry is that the Environment Agency would come in with hobnailed wellies or waders and act unilaterally in this matter. However, I think that the safeguards surrounding the use of the powers under this clause involve not just belts and braces but string and Velcro as well. The Clause 38 powers are exercisable only under strict conditions and following full consultation. Most of the habitat creation schemes already delivered by the Environment Agency are, and in the future would be, subject to planning permission from local authorities, under which communities and stakeholders are consulted and there is a formal appeals process. Therefore, the planning legislation would lock in and control the thuggish nature of the Environment Agency if it were ever to get to that point, which under the leadership of the noble Lord, Lord Smith, would be unthinkable.

4.15 pm

In primary legislation, the Environment Agency is under a duty of sustainable development and is required to consider socio-economic as well as environmental factors before it can move forward with any schemes. Under the Bill, it is required to consult with all the flood risk management committees in an area, both regional and local. The government guidance that applies to this part of the legislation requires that decisions have to take account of the views of landowners and local communities and, in general terms, the Environment Agency can also be the subject of complaint to the ombudsman and to judicial review. So the safeguards are not only belt-and-braces, string and Velcro, there is a bit of chewing of gum as well. There are severe constraints before the Environment Agency can go ahead with such schemes.

I hope that there is not a concern that there will be a kind of wholesale annexation of agricultural land. The extent of the land involved is very tiny. I asked

some of the folks involved in this for a calculation; they came up with the wonderful figure that 0.0034 per cent of agricultural land per annum has been identified as being necessary to meet the habitats directive requirements. That is three-thousandths of 1 per cent per annum, which is less than we lose per annum in urban development and in pony paddocks—I declare an interest as a horse owner—and it is certainly less than the 2,500 hectares per annum in the current tree planting policy. This will not happen wholesale; it will not threaten food security or the beneficiaries of farmers and landowners. Compulsory purchase has never been used in this; it has always been done entirely by negotiation.

I hope the noble Lord, Lord Taylor, is persuaded. Clause 38 is very important because, in a way, it enshrines and codifies what the Environment Agency has done on a bit of a wing and a prayer in the past but would now be prevented from doing in that way. The Bill defines flood risk in a different way and refers to harmful things, and the clause would allow the Environment Agency to do beneficial things in a responsible way. If the clause is omitted from the Bill—I hope it will not go during the wash-up—the Environment Agency will have a more limited and inflexible approach to flood risk management and habitat improvement, and would have to be less supportive of farmers and less effective in its use of public money. That would be a thoroughly bad deal for everyone.

Lord Greaves: My Lords, when I first considered the Bill and the implications of these two clauses—which are essentially identical but refer to different authorities—I wondered whether, in order to provoke a debate, we should table amendments which would set out in the Bill the circumstances in which the Environment Agency might act and in which local authorities might act. I worked on some amendments which would make sense—to me, at least, if to no one else—and I found it very difficult. I came to the view that, other than using vague words—such as "small" and "large" or "less significant" and "more significant" and so on—it was impossible. I thought it was a waste of time and so I did not do it.

However, this clause stand part debate, initiated by the noble Lord, Lord Taylor, is useful because it provides the Minister with an opportunity to answer the questions I was trying to sort out in my own mind. I shall be interested to hear what the Minister has to say about the nature and scale of schemes in which the Environment Agency might want to get involved directly and the ones it will leave to the local authority. I say "leave to the local authority" but it may well be the local authority that is promoting a scheme. I mean schemes in which the local authority will act.

The noble Lord, Lord Taylor, appeals to my localist instincts by saying that it must always be the local authority, but I can see circumstances in which the Environment Agency might well be the better organisation to do it, with the consent of people locally and the local authority. The local authority may well prefer the Environment Agency to undertake a project, rather than doing it itself, particularly if it was on a larger scale—I will come to that in a moment—or if it was an important project under the habitats directive, or the kind of thing that the noble Baroness, Lady Young, was talking about.

Lord Taylor of Holbeach: I apologise for interrupting and am grateful to the noble Lord for giving way. If he reads Clause 39 carefully he will see that the Environment Agency is anticipated as properly being the delivery agency and the funder of these projects. Those are exactly the circumstances that I think the noble Lord is describing. I am trying to win him over to my point of view because I know he does not like sitting on the fence and is a localist at heart. If any noble Lord in this Room is a localist, it is the noble Lord, Lord Greaves.

Lord Greaves: I am not sure that at this stage of a Parliament personal flattery will do the noble Lord any good. Nevertheless, I agree with him. Both clauses are written in such a way that the organisations concerned can work in tandem and engage with each other. It is clear that successful schemes will in any case have to be done on the basis of a great deal of local consultation and discussion, even if there is not absolute agreement at the end of the day.

The noble Baroness said that many of the schemes would be on relatively poor land from a farming point of view, particularly those where conservation—the habitats directive—is the driving force behind them. Nevertheless, we all know that if sea levels rise as some—or, I think, most—of us think they will, there will be serious problems of coastal erosion, particularly on parts on the east coast of England. In some of those areas, where it may well be thought desirable for managed coastal retreat to take place, the land affected is agricultural land of high quality and value. There is no getting away from that. Such schemes, when introduced, might well have beneficial effects for wildlife and so on, but will certainly not have beneficial effects for the farming industry and agricultural production of this country.

Under those circumstances, the view that has been put forward by the noble Baroness—that everything in the garden is rosy and the Environment Agency will be seen as a wholly benevolent organisation that is not thuggish—will just not be the case. There will be a great deal of heated debate because there are and will be important vested interests on all sides. However, if it is thought necessary and in the wider national interest for that kind of managed coastal retreat to take place, there is an argument that, in some circumstances, the Environment Agency probably has to be the lead body. Getting local consensus will be almost impossible. There are interesting discussions to be had and interesting arguments on both sides.

Baroness Young of Old Scone: I was just remembering our long and happy hours talking about the Essex coastal defences and trying to think of a circumstance in which this clause would be the key to resolving some of the noble Lord's concerns. Without this clause, the Environment Agency will be restricted in its ability to defend particular parts of the coast; if it holds the line, as it were, and therefore loses some wildlife habitat because the sea comes up against a harder defence—that

[Baroness Young of Old Scone]
is generally what happens when you hold the line—a corresponding habitat will have to be created elsewhere to compensate, under the habitats directive. Without this clause, my understanding is that the agency would not be able to do that. There is therefore more likelihood that it would be forced into inflexibilities over what to do about coastal erosion than would otherwise be the case. Defra might tell me that I am wrong, but my understanding is that that is one of the ways in which this clause gives the flexibility to allow such decisions to be made about what is going to happen on the coast in consultation with local people and local authorities, because there is some means of saying, "We are going to put a hard defence here because we can recreate the habitat that has been lost somewhere else".

I should declare an interest: I am chairman of the fundraising committee for the Great Fen, which no one, even under the most extreme climate change scenario, will ever regard as being close to the coast—I hope. Nevertheless, it is possible to see that creating wetland habitat in association with the Great Fen could replace habitat that was being lost on the coast that otherwise would mean that it was not possible to make a hard defence and therefore would save prime agricultural land. It is about flexibility and having lots of ways of dealing with it. I am sorry, I am going on now and getting enthusiastic.

Lord Greaves: My Lords, I am grateful to the noble Baroness. I think that she and I are agreeing with each other. I am trying to point out that there are two different things here that the clause will apply to: first, the habitats directive stuff, trying to provide more good habitats for wildlife and replacement habitats where habitats are lost, and, secondly, defending the coast. If it becomes difficult to defend the existing line of the coast, particularly in parts of eastern England but in other places too, decisions will have to be made at a wider level than just one local authority.

Which parts of the coast to defend, on which parts to install and maintain the hard defences that the noble Baroness talked about, and which ones can be sacrificed, if that is the word, so that a managed coastal retreat can take place, are not matters of pure science where the answer is obvious. It is a matter of making decisions about which areas have to be defended, for whatever reason. The obvious example is where there is a town that would otherwise be flooded—you have to try to defend that town if you possibly can. However, even where the coast is in countryside, if I may use that term, there are choices to be made, and when they are, they will be made on a bigger scale than one local authority.

I do not believe that this process can be implemented by the Environment Agency or any other national body simply imposing a scheme willy-nilly. That will not happen. Instead, there will be a huge public debate between all the different organisations, bodies and elected authorities from national to local level, and sooner or later decisions will have to be made.

In both Clauses 38 and 39, a number of safeguards are set out that will probably ensure that unless there is a broad consensus on the larger-scale schemes—it will not be 100 per cent in many cases—they will be impossible to implement. Apart from anything else, under subsection (8) orders have to come as affirmative orders to Parliament. I know that the Conservatives do not treat affirmative orders in this House as importantly as some of us do, but I will not pursue that subject again until we come to the next big one.

Both these clauses probably are necessary although, as I say, I have considerable sympathy with the noble Lord. We would like to see them stay but to some extent that will be determined by the answers the Minister gives.

4.30 pm

The Earl of Selborne: My Lords, perhaps I may intervene briefly. It is very important to recognise that it is not in doubt that managed retreat or measures that might cause coastal erosion have to be taken by the relevant authorities and that inevitably the Environment Agency, with a strategic overview of flood management, must have an important role. The question that my noble friend Lord Taylor posed is: should there be democratic accountability in this process? I find the argument very convincing. I cannot conceive of how the Environment Agency would be able to impose its wish, if it so desired, and the noble Baroness assured us that it would always act reasonably. Nevertheless, the idea that the Bill should, in theory at least, give the Environment Agency the ability to impose its wish in the face of opposition from a lead local flood authority—and that is conceivable—seems untenable. Therefore, I hope that this clause can be omitted.

When we come to Clause 39, it will be helpful to strengthen the requirement for the local authority to consult the Environment Agency and effectively to ensure that, if the Environment Agency thinks the local flood authority has it wrong, it in turn can ensure that the measures do not go ahead. However, the idea that the Environment Agency could be empowered to take these measures and forget about agricultural land— which is always raised as though that is the issue, although one should think about the retirement bungalow on the edge of the coast—will be controversial, as the noble Lord, Lord Greaves, said. This is clearly something where local democracy should play a part. Local people should be expected at least to have the ability to participate in decisions, and for that reason I support my noble friend Lord Taylor.

Baroness Byford: My Lords, before the Minister responds, I, too, should like to support my noble friend on this very important amendment. I go back to the contribution made by the noble Baroness, Lady Young of Old Scone, who said that, on the whole, the powers in the clause would not enable the agency to take away class 1 ground. At earlier sittings of this Committee, I referred to the consultation that is going on around the Morecambe Bay area, which clearly does take away—

Baroness Young of Old Scone: I hope that we do not get confused here. This clause is aimed at three primary purposes: nature conservation, preservation of the cultural heritage, and people's enjoyment of the natural

heritage. It is not intended to determine what happens when the Environment Agency makes a decision about a flood risk management scheme around the coast. That is dealt with in other parts of the legislation that surrounds flood risk management. Therefore, whether or not a broader scheme, such as the Morecambe Bay scheme and some of the Essex setback schemes, goes ahead is determined on the basis of its flood risk management requirements. This clause simply refers to enabling the Environment Agency to make things wetter for nature conservation, for heritage or for enjoyment, but not for the basic purpose of flood risk management, which is covered elsewhere in legislation.

Baroness Byford: Indeed, but the clause could still be used for the same purpose. That, however, is a minor point, to which we shall return.

The noble Baroness said that compulsory purchase has not been used, but that does not stop it being used in the future. We need to ensure that whoever makes those decisions should be democratically accountable. The Environment Agency, well led by the noble Baroness in her time, does not fall into that category—I think that even she would agree with that. Where the Environment Agency and a local authority have between them to decide the best way to go ahead, the ultimate decision must surely fall to the Minister. As I understand it, the buck must stop with the Government of the day. I am unhappy with the clause, because, as other noble Lords have suggested, it gives great powers to the Environment Agency, which is not democratically responsible to anybody.

Lord Faulkner of Worcester: The Committee, I am sure, is very grateful to the noble Lord, Lord Taylor, for initiating this interesting and important debate on Clause 38 and the role of the Environment Agency. I thank all noble Lords who have spoken, particularly those who support the Government's position, including the noble Baroness, Lady Young, and, I think, in the end, the noble Lord, Lord Greaves. I hope that I shall be able to reassure the noble Earl, Lord Selborne, the noble Baroness, Lady Byford, and the noble Lord, Lord Taylor, that the clause is important and should be part of the Bill.

The clause allows the Environment Agency to carry out works to manage flooding, coastal erosion or water levels for the benefit of the environment, including the conservation of nature and landscape, the preservation of cultural heritage and people's enjoyment of the environment or cultural heritage.

However, before carrying out such works, the Environment Agency would be required to be satisfied that the benefits of the works outweighed any potentially harmful consequences and consult—the list is quite long—the lead local flood authority for the area in which the work was to be carried out, the district council for that area, if any, the internal drainage board, if any, whose area the work was in, and the owners and occupiers of land likely in the opinion of the agency to be affected by the works.

In carrying out works, the Environment Agency must have regard also to both the national and local flood and coastal erosion risk management strategies, and any guidance issued on the application of those strategies. The local strategy will be led by the lead local flood authority, which must involve the Environment Agency, other local authorities and internal drainage boards in its creation. I hope that the noble Earl, Lord Selborne, will agree that that answers one of the important points that he made; it is a reply also to the noble Baroness, Lady Byford.

Furthermore, any project which involves any material change in the use of land will require planning permission, with all the related public and democratic processes that that implies. Taking all this together, I would describe the position as one in which both local democratic organisations and wider processes of consultation play a full part in the decisions on the use of the power. It is hard to sustain an argument to the contrary.

Deleting the clause would seriously affect the Environment Agency's capacity to manage water in an integrated fashion and carry out projects which would harness the positive effects of flooding and erosion. We are accustomed to thinking of flooding and erosion as destructive forces, as they often are, but they can also have enormously constructive effects. In the face of uncertainty around the magnitude of the impact of climate change, we must retain the capacity to manage flood waters in an integrated and beneficial way as well as reducing the potentially harmful effects.

The new definition of flood and coastal erosion risk management in the Bill permits authorities to use their functions to take action to reduce the potentially harmful effects of flooding or erosion. However, it does not allow them to do things solely to gain the beneficial effects of those processes. That is why we need Clause 38.

There was much debate in the other place about the need to manage flood risk in an integrated way at a landscape scale, through working with natural processes. This approach is strongly supported by the National Trust, the Royal Society for the Protection of Birds and the wildlife trusts which have recently written a joint letter to Ministers expressing their concern at the possible removal of this clause. They also state in their letter to the Minister that they have written to Nick Herbert—known to the noble Lord, Lord Taylor—in the other place,

"outlining why these powers are vital to the continued functioning of water level management schemes that protect some of our most cherished and wildlife rich landscapes, such as the Norfolk Broads and Somerset Levels and Moors. We also highlighted why they are vital if the Environment Agency is to continue delivering wetland creation in partnership with farmers, allowing them to adapt their business in areas that are no longer economic to defend".

The final paragraph of the letter refers to the process of wash-up, on which we are embarking tomorrow, and the trusts state their hope that Clause 38 will survive that process. That is not a matter for me today, but I should like to put it on record that the letter supports the inclusion of the clause. This concept was also promoted by Sir Michael Pitt in his review of the 2007 floods when he recognised that it is important to ensure that water is in the right place at the right time and that it should be kept away from areas where it can be destructive.

[Lord Faulkner of Worcester]

Clause 39, to which a number of your Lordships referred, provides the same powers for internal drainage boards and local authorities. We believe that those bodies should have those powers and be able to play their part in this integrated approach. It would be strange for the Environment Agency, our principal national water management body, not to have similar powers. Indeed, I remind the noble Lord, Lord Taylor, that in Committee on 17 March, in relation to an amendment on Clause 7, he said:

"We will deal later with the relationship between local and national strategies but, for the purpose of this debate, we are broadly content with the twin-track approach".

From that, I understood him to be supporting the role of the Environment Agency and the local authorities, but perhaps he would—

Lord Taylor of Holbeach: I must inform the Minister that I was correctly quoted and that I was trailing the debate that we would have today. Indeed, the model of this twin-track arrangement is extremely clever—so clever that we can afford to do without Clause 38.

Lord Faulkner of Worcester: That was fine until the noble Lord's final few words. He did indeed say that the construction of the Bill reflected,

"the reciprocity of national and local obligations".—[Official Report, 17/3/10; col. GC 268.]

He also found that to be pleasing, and I agree with him. It would be surprising therefore if this twin-track approach was not also reflected in the powers to provide for wider benefits from flooding and coastal erosion. For example, the Environment Agency is the competent authority for meeting the water quality objectives which we are required to meet under the water framework directive. While much can be achieved by local authorities and internal drainage boards, they do not have the competency or capacity of the Environment Agency to manage whole catchments, main rivers and the coast; and we will often need the agency to play a leading role to avoid increasing the burdens upon the local authorities and drainage boards.

The agency makes an enormous contribution, through its flood management works, to many of our most attractive areas, a number of which have been referred to in the debate, such as the Broads, the north Norfolk coast, the Yorkshire Derwent and the Somerset Levels. Some of this work would continue purely for the purposes of reducing the harmful effects of flooding. However, if the agency were not given powers to continue to do these things for their beneficial effects, or if such work could be led only by a local authority, that would seriously impair the agency's capacity to act in an integrated and efficient fashion.

This new power will not divert resources from flood and coastal erosion risk management. It will, however, enable the agency to act, subject to being able to raise the funds to support environmentally friendly land management. This includes carrying out flood and water level management work, which will allow farmers to maintain habitats and so be eligible for agri-environment payments.

4.45 pm

The noble Lord, Lord Greaves, asked when powers under Clause 38 might be needed by the Environment Agency and about the scale of the schemes which would be covered. Responsibilities will generally follow those for flood and coastal erosion risk-management. The Environment Agency would be likely to be responsible for larger-scale works across local authority boundaries or at the coast. The noble Baroness, Lady Young, has already pointed out that the overall scale is likely to be small compared with the total land area.

In conclusion, all sections of the community stand to gain from the agency having these powers, while none stands to lose. Indeed, there would be many losers if the agency could not do this work. If we deny the agency these powers, we will seriously disadvantage its capacity to act on our behalf in contributing to the sustainable, integrated management of flooding and erosion. I hope the Committee will agree that this clause should stand part of the Bill.

Lord Taylor of Holbeach: I thank the Minister for his response to this debate, which has been a good one. To some extent, it is about how individual noble Lords view the democratic process and the degree to which they are committed to seeing through an environmental policy based on local democracy. I hope that no one doubts my commitment to the environment. I am aware of the communications from the World Wildlife Fund and the Wildlife Trusts. I hope that they know my position on these matters. The key to this lies in local democracy, which does not remove the central role of the Environment Agency. Indeed, I reassure my noble friend Lord Selborne that, under subsection (4), Condition 3 is that the authority should have consulted the Environment Agency. If the work affects a main river—which it will in almost every circumstance—the Environment Agency should have consented to it. I cannot imagine any scheme that would not affect a main river in some way.

I remind noble Lords that the description of local authorities means not only the lead local flood authority but a district council for an area in which there is no unitary authority and an internal drainage board. All these authorities are able to play a part in initiating schemes of this sort but they do so on the basis of community consent being at the heart of the matter. That is the first ingredient of the process. That is why this is an important debate and why it is right that the Grand Committee should consider my proposition. There will be later stages of the Bill where this matter can be considered. In the mean time, I leave the matter as it is.

Clause 38 agreed.

Clauses 39 and 40 agreed.

Amendment 100

Moved by ***Earl Cathcart***

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

"Resilience of critical infrastructure

(1) The Secretary of State may by order require utility companies to report on their critical infrastructure and their ability to withstand future floods.

(2) The Secretary of State must lay before Parliament a copy of each report received under subsection (1)."

Earl Cathcart: My Lords, Amendment 100 seeks simply to raise the question of how the utility companies can play their part in contributing towards flood management. It proposes that the Secretary of State may, by order, require utility companies to report on how resilient their infrastructure is to withstand flooding. I accept that the Bill has been constructed so that stakeholders will be consulted on the national strategies, but I raise this point as an opportunity to debate what interaction there will be with the utility companies. Plainly, we must look at the water companies and sewerage undertakers as they will, necessarily, be involved in any flood planning or post-flood considerations.

We must—as I am sure the strategies will—consider the effects of leakage from water supply pipes and how saturated the ground around them can become, which of course lessens the absorbent capacity of the soil in the event of high levels of rain or groundwater. That will have an impact, of course, and it will be essential to know whether the water and sewerage infrastructure, much of which is Victorian, is holding up, before and after flooding. One presumes that if it was discovered that there had been damage to a major sewer or drain, that would mean a change in priorities for the authorities and it would be important for that to be reported.

As well as the obvious utilities such as water and sewerage, my amendment is also intended to cover gas and electricity. As a result of flooding, it is possible that there will be a loss of power in wide swathes of the country, at considerable cost and inconvenience. It is important for the resilience of power lines, gas pipes and other utilities essential for the smooth running of a modern economy to be assessed and for information about their general health to be made available to the authorities, which will then be able to make decisions based on the reports' findings.

I accept that the Minister may not wish to accept the amendment in the form in which it has been tabled, but I hope that he will find the suggestions useful and that, in turn, he may be able to give assurance on the record that such concerns will be taken into consideration. I beg to move.

Baroness Young of Old Scone: I commend the sentiment raised in the noble Earl's amendment. I declare an interest as a member of the Climate Change Adaptations Sub-Committee. The noble Earl may be reassured to know—I am sure the Minister will tell him—that under the Climate Change Act many of the utilities are already required to report on their readiness for the impacts of climate change, including flooding and other pressures. That may reassure him that the amendment is not required in this form in the Bill.

However, there is one glaring error and anomaly in the reporting requirement laid down under the Climate Change Act—that the communications companies are not required to be resilient against flooding and the other impacts of climate change. We tried nobly during the passage of the Digital Economy Bill to get that remedied. I hope that your Lordships will note for some future occasion that there is a need to make sure that when we increasingly face floods, droughts, heat waves and the other impacts of climate change, our communications networks are not immediately knocked out. We will not know whether that will be the case because the only thing in place at the moment is the beginnings of an informal agreement with the communications companies.

I commend the sentiments that the noble Earl has put forward but the amendment needs to be more comprehensive.

Lord Faulkner of Worcester: My Lords, I thank the noble Earl for introducing the amendment. The new clause on safeguarding critical infrastructure is identical to one that was discussed in the other place. The Government have set up a new Cabinet Office team to ensure that critical infrastructure sites—for example, water treatment works and electricity sub-stations—are resilient to flooding. The Welsh Assembly Government are also engaged in this work.

The Cabinet Office team is co-ordinating the efforts of the lead government departments across all sectors to assess the vulnerability to flooding of their most critical sites. This analysis and supporting evidence is helping to produce the sector resilience plans. We take the view that utility companies should take full account of the present climate in developing their infrastructure, and the first versions of the sector resilience plans demonstrate that those companies have responded to the need to improve resilience to flooding, supported by the economic regulators. A summary of those plans will be made publicly available.

As the noble Baroness, Lady Young, said, there are also powers in Sections 62 and 67 of the Climate Change Act 2008 for the Secretary of State and the Welsh Ministers to require reports from reporting authorities, including utilities, assessing the effect of climate change on their operations and explaining what their policies and proposals are for dealing with it.

The noble Baroness raised the question of communications companies, which, she said, were left out of this process. They will be covered by the Civil Contingencies Act enhancement programme, which is effectively a review of that Act, and phase two of that process will consider whether additional duties are needed for all sectors. That could include the communications companies.

There has already been a significant amount of action under the natural hazards programme. For example, flood defences have been provided for the east Hull and west Hull sewage pumping schemes; there is a critical site in Exeter where the electricity distributor has replaced switchgear at a substation and installed a new installation above the level of potential floodwaters; Humberside fire and rescue service has raised IT and communications equipment 1.5 metres above ground level to ensure continuity of service in future flood events; and National Grid has invested more than £1 million in flood defence capabilities.

We take the view that the reports that will come in from the reporting authorities, including the utilities, will consider a range of hazards. Together with the

[Lord Faulkner of Worcester]
sector resilience plans, they will be much more useful than individual reports from individual utility companies, which we feel would present only a limited picture and could impose a bureaucratic burden on those companies and indeed divert them from the main effort. I hope that, with that explanation, the noble Earl will feel able to withdraw his amendment.

Earl Cathcart: My Lords, I thank the Minister for setting out how utility companies must consider and report on resilience to flooding, and I thank the noble Baroness, Lady Young, for her support for the sentiments behind my amendments and for confirming that this already happens for climate change adaptation. I beg leave to withdraw the amendment.

Amendment 100 withdrawn.

Clause 41 agreed.

Clause 42 : Agreements on new drainage systems

Amendment 101

Moved by ***Earl Cathcart***

101: Clause 42, page 27, line 39, leave out from "constructed" to end of line 5 on page 28 and insert—

"(b) provisions for preventing the public sewerage system from being overloaded,

(c) provisions for preventing discharges from the public sewerage system from being in breach of—

(i) the rights of landowners and riparian owners, and

(ii) any statutory restrictions and consents,

(d) provision about adoption of the drain or sewer by the sewerage undertaker,

(e) requirement for such security as the undertaker may reasonably require for the discharge of all obligations under the agreement.

(4) For the purposes of subsection (3)(b) and (c) provision must include—

(a) reinforcement of the public sewerage system, and

(b) connection points between the drain or sewer with the public sewerage system."

Earl Cathcart: My Lords, these three amendments address the question of the automatic right to connect privately built drains to the public sewerage system, which can be a cause of flooding.

The right to automatic connection was identified by Pitt as a contributor to flood risks and ought to be brought to an end. Clause 42 provides that all future lateral drains and sewers that are to be connected to the public sewerage system must be constructed to standards to be prescribed by Ministers, known as the universal build standards, and provides for transfers to the water companies by requiring developers to enter into agreements with water companies under Section 104 of the Water Industry Act 1991. However, Clause 42 also provides that water companies cannot refuse connection of drains and sewers to the public sewerage system on the grounds that new drains and sewers do not meet the prescribed standards or otherwise comply with the Section 104 agreement. The Government's thinking behind this provision is that, in future, there ought not to be any private lateral drains or sewers, but as the Bill stands it is less a requirement and more of an aspiration.

5 pm

I have tabled three amendments which I hope will provide food for thought. Amendment 101 would shift the focus of the Bill from the standard to which a private drain had been constructed to what might go wrong and making sure that it does not. The amendment would require an agreement-to-connect to specify how overloading of an existing sewerage system would be avoided and discharges prevented. One should hope that new drains will be built to a high standard regardless of this legislation, but even if they are well built, the connection to the larger system could be disastrous if the system simply cannot cope. The Bill is designed to manage water supplies and prevent flooding; so is Amendment 101.

Amendment 103 is along very similar lines. It would insert a new clause requiring water companies and planning authorities to be involved before new drains were connected. The bodies which have to deal with any fallout from an overloaded sewage system would thereby be involved. It would not give water companies a veto over what could be connected, but ensure that they had been fully consulted and properly informed.

Amendment 102 is intended to be a practical transitional suggestion. It would ask the Environment Agency to establish a pilot scheme to assess the impact of full adoption of private drains in 2011, so that when full adoption took place, everyone would know what the costs and problems might be.

I remind the Committee that Recommendation 10 of the Pitt review states:

"The automatic right to connect surface water drainage of new developments to the sewerage system should be removed".

We understand that all new sewers and drains must be built to universal build standards, but it seems that, regardless of whether those standards have been met, the Bill does not prohibit the automatic right to connect to the existing sewerage system. The problem is not whether a new development's drains have adhered to the standard, but one of the extra increased volume of water from a new development connecting into existing, already overloaded, systems. As my noble friend Lord Selborne said at Second Reading,

"if you have sewage backing up and coming into your house, you will never forget it".—[*Official Report*, 24/2/10; col. 1043.]

Quite so. How do the Government propose to address this problem? The Bill as it stands seems not to. I beg to move.

Lord Faulkner of Worcester: My Lords, Amendment 101 would specify in the Bill a number of issues that would otherwise have to be included in agreements for the adoption of new foul sewers and lateral drains by statutory sewerage undertakers. It would also remove the requirement that a mandatory build standard published by the Secretary of State and by Welsh Ministers be followed unless the parties to the agreement agreed to a different approach. We are committed to preventing problems of private sewers connecting

to the public system. Clause 42 therefore requires adoption agreements to be in place and for the sewers then built to be adopted.

When we were developing this policy, stakeholders advised us to retain the agreements under Section 104 of the Water Industry Act 1991 as the vehicle for adoption. Such agreements are flexible enough to include whatever detail the parties may agree, and Ofwat can resolve disputes. We therefore have only three requirements: first, an agreement must be in place; secondly, it must have an agreed build standard; and, thirdly, there must be provisions for adoption.

We think it is right to promote innovation and enable the needs of a particular site to be reflected, and therefore we do not wish to constrain agreements by making further requirements in the Bill. This flexibility is supported by both the House Builders Federation and Water UK. This approach will ensure that all new sewers which connect to the public network are adopted and do not become a burden on householders, and that all such sewers are built properly so that undertakers do not end up adopting a liability.

The water companies and developers also support a mandatory build standard. Developers want a transparent standard and sewerage undertakers want to be sure that what they have to adopt is fit for purpose. The mandatory build standard gives them this, and both developers and sewerage undertakers are helping to draft a build standard, which will be consulted on over the summer. Without such a standard, Section 104 agreements might routinely take longer to put in place, putting undue burdens on small developers who do not currently use the adoption process and delaying developments. However, where site-specific standards and innovative approaches to drainage may be useful, Clause 42 also allows the agreement to depart from the mandatory standards. The Bill enables us to place further requirements on these agreements if needs be, but we hope not to use that power and wish to retain the flexibility of the current provision.

The new clause proposed by Amendment 102 will, in our view, impose a costly and disproportionate new burden on the Environment Agency compared with any real benefit and will duplicate work already done on costs. In July 2007, the Government consulted on whether to do an audit of private sewers and lateral drains by requiring water and sewerage companies to establish pilot schemes to assess their extent and condition. Seventy per cent of those who responded rejected the idea and only 21 per cent supported it. The stakeholder steering group for Defra's review of private sewers agreed with that result.

The latest estimate from UK Water Industry Research of the costs of a full mapping and surveying exercise is in excess of £1 billion. Even pilot schemes would be extremely expensive, and that is all before a penny is spent on the cost of repair. Such an approach would also duplicate work already done. The companies' cost estimates have been reviewed by Ofwat and were set out in the impact assessment that accompanied the Government's announcement on 15 December 2008 of their decision to proceed with the transfer. The estimate was of over £1 billion in one-off capital costs, average annual operating costs of £133 million and an increase in customers' bills of between £4 and £12 per year. An updated impact assessment will accompany our consultation on the regulations for the transfer when they are published. I do not believe that pilots would produce enough useful information to warrant the cost or the delay in bringing the benefits of transfer to householders. In practice, the costs of an audit would be better spent dealing with the real problems that exist in relation to private sewers. In the light of this, we therefore see little value in the approach proposed in this new clause.

Turning to the other new clause in this grouping, proposed in Amendment 103, the noble Earl referred to Sir Michael Pitt's recommendation in his review of the 2007 floods. I repeat what the noble Earl said:

> "The automatic right to connect surface water drainage of new developments to the sewerage system should be removed".

The Bill achieves this by requiring proposals for surface water drainage from new development to be approved by the SUDS approving body in accordance with national standards before any residual connection to the public sewer is allowed. The relevant provision is paragraph 16 of Schedule 3 to the Bill, which inserts a provision into the Water Industry Act which says that the right to connect under Section 106(1) of that Act, in respect of surface water, may be exercised only if a drainage system was approved under Schedule 3 to this Bill and the approved drainage system provided for such a connection. I hope that answers the noble Earl's point.

Water and sewerage companies will be statutory consultees in this process. Surface water cannot, in any event, be connected to public foul-only sewers unless the water and sewerage company gives its permission. The ability to connect foul drainage to the public sewerage system will remain, but subject to the requirement under Clause 42 for a Section 104 agreement, as I have already explained. Foul-water flows and connections are, in themselves, not the primary cause of foul sewer flooding. They are usually stable and predictable. Most sewer flooding occurs when rainstorms lead to excess levels of surface water in the public sewer. For reasons of public health, foul sewage should be taken away for treatment and the right to connect remain. Water and sewerage companies have a statutory duty effectually to drain their areas, and it is for them to finance their investment programmes, which should already make provision for improving the capacity of their infrastructure in response to local development plans. If a local planning authority thinks additional capacity is needed earlier than planned to enable a development to proceed to a certain timescale, it can already seek a contribution to the financing of that investment from the developer. It may also refuse planning permission where it is not satisfied that the necessary infrastructure can be put in place.

This amendment would undermine the balance that we have sought to achieve between the needs of developers, water companies and local authorities. We know, therefore, that it is of some concern to the House Builders Federation. While I sympathise with the general aim of the new clause, the provisions contained in the Bill, together with the existing provisions of town and country planning legislation and the Water Industry Act 1991, already provide a regime that protects against

[Lord Faulkner of Worcester]
unrestricted burdens being imposed on new development. I hope that, with these explanations on the three amendments to which I have spoken, the noble Earl will feel able not to press them.

Earl Cathcart: My Lords, I thank the Minister for putting on record his very full response to my amendments, for stating the Government's commitment to preventing problems and for explaining the adoption agreements which must be in place before connection. On Amendment 102, the pilot scheme was a suggestion. I am sorry that the Minister rejected it, but I suppose I accept his reasons for doing so. I particularly thank him for clarifying Pitt's Recommendation 10 that the automatic right to connect should be removed, and for explaining that I should find it in paragraph 16 of Schedule 3 and putting that on record. With that, I withdraw the amendment.

Amendment 101 withdrawn.

Clause 42 agreed.

Amendments 102 and 103 not moved.

5.15 pm

Clause 43 : Drainage: concessionary charges for community groups

Amendment 104

Moved by ***Lord Addington***

104: Clause 43, page 29, line 4, at end insert—

"(1A) Subsection (1) includes schemes which have the effect of subsidisation by other organisations and businesses.

(1B) The Water Services Regulation Authority's powers in connection with the approval of schemes and its other powers under the 1991 Act are subject to subsections (1) and (1A)."

Lord Addington: My Lords, after what seems like a long gap, we now return to the issues which were raised in relation to voluntary groups and the welcome concessionary charges for community groups contained in Clause 43. Basically, Amendment 104 seeks to take the language used in Clause 44 on social tariffs and include it in Clause 43.

This may be thought a little extreme in that it moves from merely the provision of public goods to the provision of a basic utility of life for individuals but, if you take into account that voluntary groups provide very necessary social benefits to all parts of society, it would be a logical step to ensure that these amendments are in place and that these charges cannot be expanded to cause them difficulty. We should bear in mind the history behind this and the great problems we had when voluntary groups in certain parts of the country were faced with a huge expansion of charges that threatened to destroy them or effectively make many of them unviable. I suggest that slightly stronger concessions than the Government have given would reassure these groups, which provide and support the aims that virtually everyone else involved has endorsed.

I ask the Government how Amendment 105, in the name of the noble Lord, Lord Davies of Oldham, can achieve the aims outlined in the amendment standing in my name and that of my noble friend. I look forward with interest to the noble Lord's reply. I beg to move.

Lord Taylor of Holbeach: My Lords, I welcome the opportunity to discuss social tariffs and I hope that the Minister will allow me to anticipate his proposals in Amendment 105.

We welcome the introduction of the social tariffs clause; indeed, my party has raised the issue for some time. My honourable friends Nick Herbert and Anne McIntosh have publicly spoken about their concerns that certain groups—the Scouts among others—would find themselves at a terrible disadvantage if they were responsible for the so-called rain tax. As the noble Lord, Lord Addington, mentioned, it seems an awfully long time since he trailed this issue. He is an experienced parliamentarian and, if I remember correctly, he managed to achieve a debate on this issue early on by including it in the glossary of other definitions under Clause 6. We have therefore had plenty of time to think of the implications. The Government have not been deaf to such concerns and have included their amendment in this grouping.

However, we regret that they have simply plucked out one part of the Walker report. As noble Lords, know, we would like a White Paper to consider both the Walker Report and the Cave review in the round—particularly the former in relation to metering and affordability.

The Minister said that the Government's new Clause 22 was an opportunity to give Ofwat a role in approving or rejecting the charging scheme and ensuring that decisions are commensurate with the guidance he will publish. Will noble Lords see a copy of that guidance? What consultation has there been on it? What direct consultation has there been with Ofwat? It would be useful to know the answers to those three questions as they clearly relate to the background against which the guidance will be issued.

I should also raise a point made to me by one of the water companies. The Government are farming out the decision on judging who is to benefit from the reduced tariff. That places social policy in the hands of utility companies, which I think even the Minister would consider strange. Can he give assurances that the guidance will leave decisions in the hands of the Minister?

Lord Faulkner of Worcester: My Lords, I, too, congratulate the noble Lord, Lord Addington, on his ingenuity in returning to the subject in this way. The group of amendments relates to Clause 43 on concessionary drainage charges for community groups and to the relationship between Clause 43 and Clause 44 on social tariffs for individuals.

Amendment 104 proposes to make two changes to Clause 43 that would bring it more into line with the approach taken in Clause 44. It would mean that cross-subsidy is allowed for in concessionary schemes for community groups, and that while Ofwat's powers in

connection with the approval of charges schemes still apply, they are subject to the provisions in subsection (1) and the new subsection (1A) proposed by this amendment.

Concessionary charges for community groups will involve only extremely small amounts of cross-subsidy by other customers. On the other hand, the cross-subsidy involved in social tariffs for individuals could potentially be much larger, running into several pounds rather than just a few pence. Furthermore, the first part of the amendment would provide that concessionary schemes can include subsidisation by other organisations and businesses. This does not need to be set out in the Bill. Including it could infer that non-domestic customers were expected to pick up the tab. The Government's view is that it is for undertakers to set their charges schemes in a way that ensures a fair breakdown of charges between domestic and non-domestic customers. Ofwat ensures that this is the case. For these reasons the amendment is unnecessary.

I recognise that there is a legitimate question about who should provide the subsidy to community groups. I refer noble Lords to paragraph 3.11 of the draft guidance that has been circulated to noble Lords. It proposes that both domestic and non-domestic customers are best placed to share the cost of the cross-subsidy to community groups. It states:

"Undertakers will need to decide whether the cross-subsidy that community groups will receive is met only by non-household customers or by the undertaker's customer base as a whole".

Government Amendment 105—and I thank noble Lords for their welcome for it—enables water and sewerage undertakers to operate concessionary schemes for community groups for surface water drainage charges. It enables the Secretary of State and Welsh Ministers to issue guidance to undertakers; and undertakers are required to have regard to this guidance. Our view is that Ofwat would also have to have regard to this guidance by virtue of its responsibility as the independent economic regulator responsible for approving undertakers' charges schemes.

However, concerns were raised during Second Reading around whether Ofwat would have regard to our guidance, particularly as Clause 44 on social tariffs makes it explicit that both Ofwat and undertakers must have regard to the guidance issued under Clause 44. The purpose and effect of the government amendment is therefore to make it explicit that Ofwat as well as undertakers must have regard to guidance on concessionary schemes that may be issued by the Secretary of State and Welsh Ministers. The noble Lord's Amendment 106 is virtually identical to government Amendment 105 and I hope, therefore, that the noble Lord will be satisfied with ours.

On the question of publication of the draft guidance, it was made available to noble Lords at the start of the Committee stage. The final version will be available later this year. I should make it clear that the guidance will set a clear framework, and companies, as I have said, will have to have regard to it. The draft guidance provides at paragraph 4.2 a clear statement of the groups which we believe should benefit, including faith groups, scout groups, community amateur sports clubs and so on.

We are aware that, in some parts of the country, particular water companies have got into difficulties with charges for community groups. I would like to put on record that we are pleased that United Utilities, after a sticky start, has agreed to extend its moratorium for 2010-11 to include village halls and community centres where these are owned or leased by community groups. They were not included in the 2009-10 moratorium but will now enjoy the same concessions as properties owned by scout and guide associations, faith buildings and community amateur sports clubs. These were the groups that were most disadvantaged by the switch to site-area charging for surface water drainage. I understand that any other group that is experiencing financial hardship can discuss this directly with United Utilities, which may be willing to prove assistance through its hardship fund.

I hope that with these explanations, the noble Lord will feel that his amendments are unnecessary and that he will feel able to withdraw them.

Lord Addington: My Lords, I thank the Minister for his reply. I had a series of questions but I thought I should wait until I heard what the Minister felt the Government's amendment achieved before I asked them. Most of those questions have been at least partially answered but one that does not seem to have been is this: is there going to be a standard that the Government expect Ofwat to be able to judge by with regard to fair and reasonable charges? Do the Government expect that to be part of the final code of conduct? An answer to that would be helpful. How about seeking a review? If we can get a definitive yes to that, many of the concerns behind these amendments would finally be put to bed—if not totally, then at least they would be sent upstairs with their cocoa. If we could get that on the record at this point, it would help.

Lord Faulkner of Worcester: The question of what is an affordable charge, which is I think what the noble Lord is asking, will be an issue for consultation. It is difficult at this point to say exactly what the affordable charge would be. To quote the example of another water company, Severn Trent Water currently runs a concessionary scheme for community groups that has worked well. Under the scheme, organisations that benefit from the concession tend to pay on average around £100. However, it will be for companies to decide what charge to levy on community groups, based on an impact assessment and the consultation within their own customer bases. That will enable them to reflect local circumstances and characteristics within their own operating areas.

I realise that I am not giving the noble Lord a complete answer because we cannot be specific about amounts, but we are edging our way towards an affordable charge structure that will meet the demands that he is making.

Baroness Byford: I hope that I have not missed an answer on this point. One of the concerns expressed earlier was that in certain areas water companies might deal with these issues in different ways—in other words, water company A could be much more sympathetic than water company B. I was not certain whether this had been reflected in the Government's amendment.

Lord Faulkner of Worcester: I assure the noble Baroness that that matter will be covered in the guidance.

Lord Addington: My Lords, I thank the Minister for his reply and I thank everyone in his department who has tried to clear this up. The cock-up school of history is alive and well and functioning, which is why we ended up having to move these amendments in the first place. I think that the Minister has addressed as much as one can reasonably expect from the Treasury Bench at this juncture. I always distinguish between what I think will be a government answer and a straightforward political answer. We have a good answer, if not a perfect one, and it is something that can be built on. I beg leave to withdraw the amendment.

Amendment 104 withdrawn.

Amendment 105

Moved by ***Lord Faulkner of Worcester***

105: Clause 43, page 29, line 24, after "Undertakers" insert "and the Water Services Regulation Authority"

Amendment 105 agreed.

Amendment 106 not moved.

Clause 43, as amended, agreed.

Clauses 44 and 45 agreed.

5.30 pm

Amendment 107

Moved by ***Lord Greaves***

107: After Clause 45, insert the following new Clause—

"Insurance

(1) The Minister shall make regulations about the calculation of premiums and charges in relation to risks from flooding to ensure that—

(a) flood prevention measures are taken into account, and

(b) such premiums and charges are based on the principles of equity and shared risk.

(2) "The Minister" means—

(a) in the case of an undertaker whose areas are wholly or mainly in England, the Secretary of State, and

(b) in the case of an undertaker whose areas are wholly or mainly in Wales, the Welsh Ministers."

Lord Greaves: Amendment 107 would insert a new clause setting up a scheme of affordable charges. To a certain degree, this is a reprise of the debate that took place in the House of Commons but I have one or two questions to add. Forming the background to this amendment are the 2007 floods, which cost homeowners and businesses more than £2 billion. The average cost per flooded home was between £23,000 and £30,000, and one-quarter of homeowners were not fully covered by insurance. Thirty per cent of householders were forced to relocate to temporary accommodation, one-third of whom had to stay there for more than a year, and the average cost per flooded business was between £75,000 and £112,000, with 95 per cent covered by insurance. Those figures are well known but, as I said, they are the background to the amendment.

In the aftermath of those floods, many people found that large insurance companies in particular were extremely helpful, but some found that some of the smaller companies hiked up premiums, introducing excessive excess charges for homes that had never previously flooded, and the postcode nature of the charge calculation was so broad that even owners of homes that were not flooded experienced problems in finding an affordable premium. Many of us are aware that many insurance companies do not have sufficiently detailed local knowledge to be able to exclude all the homes that are not at risk of flooding.

One example that my honourable friend Martin Horwood raised was a household in his constituency of Cheltenham faced with an excess charge of £20,000 in the event of a flood. As he pointed out, that is not insurance and it is not an amount that people can generally afford to pay. The Association of British Insurers, the ABI, has said that one-third of the 3 million new homes that the Government want to see by 2020—a target that will not now be met but nevertheless is still in place—will be built on flood plains. Whether or not those particular houses are at real risk of flooding, the fact that they are on flood plains will raise alarm bells with many insurance companies and will affect the premiums that they charge. Therefore, the amendment puts forward a scheme for affordable charging so that customers are protected from the whims of insurers, who obviously, and not unreasonably from their point of view, are acting in the interests of their companies and shareholders.

This is essentially the same amendment that my honourable friends moved in the House of Commons. I think that it is slightly more elegantly worded, although whether other people will agree I do not know. It was debated substantially and put to the vote, which was lost, on Report in the House of Commons. In private meetings with my honourable friends, the Minister, Huw Irranca-Davies, was receptive to discussing the idea but thought that the existing arrangements with insurance companies were sufficient. However, he did say that on the back of the Bill he would look to meeting the ABI and the National Flood Forum to deal with the insurers' and their customers' issues.

My specific questions are: have any such meetings already taken place; what was their outcome; and can the Minister give us more information and assurances that discussions are taking place to ensure that insurance for people affected by flooding, while reasonable from the insurers' point of view, is possible and practicable from the point of view of the people who need to be insured? If a large number of people in the country cannot get affordable insurance for their properties, that makes the prospects for those areas rather dire. I look forward to hearing the Minister's comments.

Lord Taylor of Holbeach: My Lords, the noble Lord, Lord Greaves, has raised the important issue—and painted the picture well—of insurance premiums for householders living in flood risk areas. As the noble Lord said, it is a matter of great concern to many householders who face paying what are effectively

flood level premiums even though they have never before been flooded. That means that many people cannot or will not pay home insurance and, therefore, could be left terribly exposed if the worst came to the worst.

I believe that around one-quarter of the homes flooded in the floods of 2007 were not covered by insurance. This is a matter of great and ongoing concern. My honourable friend Nick Herbert was right when he said in another place that we are sympathetic to concerns and that our party is prepared to work with the Government and the Liberal Democrats to see if we can find some workable proposals that will both protect householders and have the support of the insurance industry.

I am slightly wary about supporting this particular amendment because it would oblige the Minister to interfere in the insurance market without setting clear parameters for doing so, beyond sharing risk equitably. I accept that the noble Lord cannot push his amendment at this stage and has tabled it to enable debate. I welcome that. I would like to hear from the Minister what the Government are doing to address this problem, where premiums are unaffordable but the consequences of being uninsured are even more so. What work have they done with the insurance industry, in particular, the co-operation of which will be very important? There is a great deal of work to be done. The noble Lord has asked some interesting questions and we would support any efforts to speed up matters.

Lord Faulkner of Worcester: My Lords, I agree that this is an important subject. It is a matter of enormous concern to the people who are affected when they are seeking to insure their house, particularly after suffering from flood damage when they are seeking to get new cover. The issue of affordable insurance cover for flood risk concerns many Members of the House and indeed people outside.

The noble Lord's Amendment 107 calls for a system based on the principles of equity and shared risk, which is indeed a desirable system in cases where we do not know who will need to make a claim. The National Health Service is a good example of shared risk; most of the time none of us knows when we will need its expert care, and we all benefit at one time or another, so it is fair that we all pay towards its costs.

Flood risk, however, is different. With increasing confidence we know where flooding will occur and even, on average, how frequently. While pooling together is important and fair for those facing similar levels of risk, it seems unfair for the five out of six homeowners not at risk to pay higher insurance bills to subsidise the few very high-risk homeowners, particularly when there are steps that can be taken to minimise the risk.

For those most at risk, we need insurers to provide the incentive to make properties resistant to flooding—for example, with flood gates—and resilient to flood water. If homes are fitted with rugs instead of carpets and have raised electricity sockets and waterproof plaster, for example, householders can be back in their homes within weeks as opposed to months and any insurance claim will be much lower than otherwise, thereby minimising any rise in premiums and excesses.

The Government currently have a voluntary agreement with the insurance industry called the "statement of principles", and the Welsh Assembly Government have a similar agreement. These mean that cover against flooding is widely available as a standard part of buildings and contents policies. Insurers are obliged to offer cover, even to those at significant risk, if there are plans in place to reduce it within five years. The voluntary approach means that we can safeguard the benefits and efficiency of a competitive market, which I think is of concern to the noble Lord, Lord Taylor, without the need to add bureaucracy at a time when in general we are trying to reduce it.

However, we know that flood risk will increase with climate change. The Environment Agency states that investment will need almost to double in real terms during the next 25 years just to avoid more homes becoming at significant risk. The best way of safeguarding affordable insurance in the long term is to invest in risk management. Every pound that the Environment Agency spends on new and improved defences prevents £8 in future costs.

We have improved our understanding of flood risk through the publication of the national flood risk assessment in June 2009. That is available to insurers and to the public through the Environment Agency's website. It is in all our interests—of government, insurers, home and business owners, community groups and authorities—for there to be more investment in risk management, but the questions are how much more, who should pay and who should decide what level of risk people should have to live with. These are questions neither for the Bill nor for government alone. That is why my honourable friend the Minister in the other place, Huw Irranca-Davies, has already met MPs and the ABI to plan a flood summit. That will be held later in the year and take a comprehensive look at flood insurance.

We think that there will be a series of meetings in which we expect the following groups to participate: the National Flood Forum, the Association of British Insurers, the British Insurance Brokers Association, the Local Government Association, interested MPs, insurance and social inclusion experts from the Treasury, the Department of Communities and Local Government and the Department for Work and Pensions. The summit will discuss how we can safeguard affordable insurance in the long term, taking account of the investment challenge due to climate change highlighted in the long-term strategy. We do not believe that government intervention in the insurance market to safeguard those few households who struggle to get insurance through a risk-pooling scheme is a workable solution, but we want to continue with the dialogue. As I have said, that will be going on later in the year.

I hope that, with that explanation, the noble Lord will feel able to withdraw his amendment.

Lord Greaves: My Lords, I shall certainly withdraw my amendment—in a minute. I am grateful to the Minister for that comprehensive explanation of where things stand. I hope that the summit to which the Minister referred and which sounds like a useful initiative—it will no doubt be held on a summit so that it is not flooded—survives the general election. We

[Lord Greaves]
look forward to hearing about the discussions that take place and, one hopes, some progress. My only quibble with the Minister is in his describing the number of people who are finding it difficult or impossible to get adequate, affordable insurance as "few". It all depends on what one means by "few". I suppose that, as a proportion of the total, they are perhaps few, but the number of people concerned is growing. In the areas concerned, quite a lot of people—I was going to say "in this boat", but that is the wrong metaphor yet again—would not consider it satisfactory to be dismissed as "few". I do not think that the Minister was dismissing them; he was accepting that for a growing number of people, it is a real problem. On that basis, I beg leave to withdraw the amendment.

Amendment 107 withdrawn.

Clause 46 agreed.

5.45 pm

Clause 47 : Pre-consolidation amendments

Amendment 108

Moved by ***The Duke of Montrose***

108: Clause 47, page 32, leave out lines 6 to 10 and insert—

"( ) a Bill for repealing and re-enacting—

(i) the enactments modified by the order, or

(ii) enactments relating to matters connected with the matters to which enactments modified by the order relate,

has been presented to either House of Parliament.

( ) An order under this section is not to come into force until immediately before the commencement of the Act resulting from that Bill."

The Duke of Montrose: My Lords, this is a fairly minor amendment which the Government have bettered with their own amendment, and I shall not detain the Grand Committee for long. The point was brought up by the Delegated Powers and Regulatory Reform Committee in its sixth report of the Session. The problem in essence was that Clause 47 allows the Secretary of State to amend any water Acts by order, with a view to making them compatible ahead of any consolidation of the legislation. The committee suggested, not unreasonably, that this power should be used only if a consolidation Bill is at least on the horizon. Both amendments do just that and we are grateful to the Government for introducing their own amendment on this point. I beg to move.

Lord Faulkner of Worcester: I hardly need to reply to that speech and I shall be very brief. I should begin by expressing my gratitude to the noble Duke for the way that he moved the amendment. As he said, it is very similar to government Amendment 109. Both would make the order-making power under Clause 47 to make pre-consolidation amendments subject to a requirement that a consolidation Bill has been presented to either House of Parliament. These amendments respond to the Delegated Powers and Regulatory Reform Committee report which noted that such a requirement was not included in the clause as drafted.

Since the only reason for making pre-consolidation amendments is to pave the way for a consolidation Bill, we are happy to respond to the Committee by providing that a consolidation Bill should be presented to Parliament before an order for pre-consolidation amendments is made. This change also provides more consistency with similar pre-consolidation provisions in other legislation. I hope therefore that the noble Duke will agree to withdraw his amendment and support our Amendment 109.

The Duke of Montrose: I am most grateful to the Minister and I beg leave to withdraw the amendment.

Amendment 108 withdrawn.

Amendment 109

Moved by ***Lord Faulkner of Worcester***

109: Clause 47, page 32, line 7, at end insert—

", and

( ) a Bill for consolidating the enactments amended by the order (with or without other enactments) has been presented to either House of Parliament."

Amendment 109 agreed.

Clause 47, as amended, agreed.

Clause 48 agreed.

Clause 49 : Technical provision

Amendment 110

Moved by ***Lord Faulkner of Worcester***

110: Clause 49, page 33, line 10, after "43" insert "to 45"

Lord Faulkner of Worcester: My Lords, we are almost at the end of the Committee stage. Clause 49(3) contains provisions at paragraphs (a) and (b) to allow certain provisions in the Bill to be brought into force separately for England, by the order of the Secretary of State, and for Wales, by order of the Welsh Ministers.

The government amendments extend these differential provisions to apply also to the new social tariffs provisions in Clause 44, which allows undertakers to reduce charges for individuals who have difficulty paying, and the new bad-debt provisions in Clause 45 which incentivise landlords to identify their tenants to water companies to enable recovery of water charges. Clauses 44 and 45 are relatively late additions that occurred during the course of the parliamentary stages. The government amendment updates Clause 49 to take account of this. I beg to move.

Lord Taylor of Holbeach: I shall speak only because we have reached the conclusion of the Committee stage, and I thank the Minister for ending on such a positive note. The number 43 is rather unusual—it is a

prime number whose digits when added together also come to a prime number, but a rather boring one. The number 45 is much more interesting and useful, and I am very happy that the Minister has proposed such a change.

I thank the Minister also for the way in which he has handled the business today. I thank the noble Lord, Lord Davies of Oldham, for his work during this stage of the Bill. Tomorrow we will consider other stages in a slightly less conventional form than is usual. This may therefore be an opportune moment to thank the Bill team for their work. We have of course, in the main, supported the Bill throughout and I hope that tomorrow or the day after it will be brought into law.

Lord Tope: In the momentary absence of my noble friend Lord Greaves—who can pick his moments and would, I am sure, wish to do so if he were here—I extend his thanks, my own and my colleagues' to the Minister, the noble Lord, Lord Davies of Oldham, and the Bill team for an interesting, productive and, on the whole, friendly exchange. I think the next stages of the Bill will be on Thursday, rather than tomorrow. No doubt, by the end of the day we will have passed a Bill which will truly contribute to the welfare of the nation.

Lord Faulkner of Worcester: My Lords, I certainly do not intend to delay the Committee at this stage. I thank the noble Lords, Lord Tope and Lord Taylor of Holbeach, for their very kind words. I express my own thanks to the Bill team, who have supported me on my own today. I found it a daunting prospect when I was told I would be doing it. I should bring to the Committee the apologies of my noble friend Lord Davies of Oldham, but if your Lordships look at the Monitor you will see that he is, as we speak, in action in the Chamber on the main debate of the day. I enjoyed being his apprentice for the first two days and I very much appreciate the kindness of all noble Lords, who have been very gentle with me today, in seeing through the final stages of the Committee. I think I am obliged to move the amendment to conclude.

Amendment 110 agreed.

Amendment 111

Moved by ***Lord Faulkner of Worcester***

111: Clause 49, page 33, line 14, after "43" insert "to 45"

Amendment 111 agreed.

Clause 49, as amended, agreed.

Bill reported with amendments.

Committee adjourned at 5.52 pm.

Written Statements

Tuesday 6 April 2010

Armed Forces Pay Review Body

Statement

The Minister for International Defence and Security (Baroness Taylor of Bolton): My right honourable friend the Secretary of State for Defence (Bob Ainsworth) has made the following Written Ministerial Statement.

The supplement to the 2010 report of the Armed Forces' Pay Review Body (AFPRB) making recommendations on the pay of service medical and dental officers has been published today. I wish to express my thanks to the chairman and members of the review body for their report.

The AFPRB has recommended no increase in basic military salary for all defence medical services (DMS) accredited consultants and accredited general medical and dental practitioners. The AFPRB has also recommended a 1 per cent increase for certain non-accredited officers and a 1.5 per cent increase for junior non-accredited officers and cadets. In addition, the AFPRB recommended no increase in the values of national clinical excellence awards and distinction awards and a 1 per cent increase for DMS trainer pay and general medical practitioner associate trainer pay.

The AFPRB recommendations are to be accepted in full, except for the 1.5 per cent recommendation for junior non-accredited officers and cadets, which will be abated to 1 per cent mirroring the decision on the Doctors' and Dentists' Review Body recommendation, with implementation effective from 1 April 2010.

Copies of the report are available in the Vote Office and the Library of the House.

Banking: Asset Protection Scheme

Statement

The Financial Services Secretary to the Treasury (Lord Myners): My honourable friend the Exchequer Secretary has made the following Written Ministerial Statement.

On 7 December 2009 the Chancellor of the Exchequer announced the launch of the Asset Protection Agency (APA), an executive agency of HM Treasury.

The role of the APA and relationship with HM Treasury has been set out in the APA framework document, copies of which were deposited in the Libraries of both Houses at the time of the announcement.

After careful consideration of the APA's activities in managing the asset protection scheme ("the scheme") since its launch, the Chancellor has decided on a further delegation of decision-making to it from HM Treasury. Previously the APA was authorised to make decisions or exercise rights delegated to it in furtherance of the asset management objective.

Under the new delegation it will also be able to consider the reduction of risk to the taxpayer when making decisions or exercising any of the rights that have been delegated to it.

This change reflects our continued commitment to run the scheme efficiently and ensure tight management of the taxpayer's risk.

An amended framework document that reflects this change has been published today and deposited in the Libraries of both Houses. The document is also accessible via the HM Treasury website at www.hm-treasury.gov.uk.

Building Societies: Capital

Statement

The Financial Services Secretary to the Treasury (Lord Myners): My honourable friend the Exchequer Secretary has made the following Written Ministerial Statement.

The Government have published a discussion paper on building society capital and related issues as announced in Budget 2010. It will be available from the House Libraries and is on the Treasury website.

The discussion paper seeks views on the issues raised by the building societies experts' group convened by the Government in 2009, including future options for capital raising by building societies in the light of ongoing regulatory reform.

Climate Change

Statement

The Minister of State, Department of Energy and Climate Change (Lord Hunt of Kings Heath): On 31 March, I published *Beyond Copenhagen: The UK Government's International Climate Change Plan* (Cm 7850), setting out the key elements of UK strategy leading up to COP16 in Mexico and beyond.

The strategy reflects the fact there is much unfinished business following the outcome of the Copenhagen climate talks in December 2009. The conference made significant progress in some areas, but did not live up to our expectations, or those of many countries round the world.

Beyond Copenhagen argues that we should build on what was achieved at Copenhagen but also go further.

The main achievement at Copenhagen was agreement of the accord. The accord includes commitments to limit global temperature increases to no more than 2 degrees Celsius, to climate finance approaching $30 billion fast-start finance to 2012 with a long-term goal of $100 billion a year by 2020 and for the first time provides a common international framework that includes all the world's major economies. Since the summit more than 70 countries (accounting for around 80 per cent of global emissions) have put forward mitigation targets and actions which, if they deliver at the high end of their ambitions, would be consistent with global emissions peaking before 2020, an important step towards achieving an emissions trajectory consistent with 2 degrees.

The document affirms the importance of delivering against the commitments made in the accord. This includes commitments on emissions reductions, forestry, measurement, reporting and verification and on finance. It highlights the importance both of getting fast-start finance flowing and also of the work of the UN Secretary-General's High Level Advisory Group on Climate Finance, co-chaired by the Prime Minister and Prime Minister Meles of Ethiopia.

The Government continue to believe that this action has to be backed by a comprehensive legally binding agreement. The UK wants to see progress in the UNFCCC negotiations towards a legally binding agreement, with progress under the Copenhagen accord built on in the formal negotiations. To ease that process we signal that we would agree to an appropriately designed second Kyoto commitment period provided others enter into comparable legally binding arrangements.

We also believe we need to strengthen the UNFCCC process and will be working with the Government of Mexico, amongst others, to do so.

Copies of *Beyond Copenhagen* have been placed in the Libraries of the House.

Devolution: Commission on Scottish Devolution

Statement

The Advocate-General for Scotland (Lord Davidson of Glen Clova): My right honourable friend the Secretary of State for Scotland has made the following Written Ministerial Statement.

The Government welcome the Scottish Affairs Committee's report on the inter-parliamentary recommendations made by the Commission on Scottish Devolution. The commission, established by the Scottish Parliament in December 2007 and supported by the UK Government, produced its final report in June 2009. The report set out a package of measures designed to review 10 years of experience of devolution and to recommend changes to enable the Scottish Parliament to serve the people of Scotland better, to improve the financial accountability of the Scottish Parliament and continue to secure the position of Scotland within the United Kingdom.

The Government welcomed the final report from the Commission on Scottish Devolution on its publication and responded formally with a White Paper *Scotland's Future in the United Kingdom* on 25 November 2009. Of the 63 recommendations, 42 were for the Government to consider and 39 were accepted in the White Paper, including a radical package of reform to the financial accountability of the Scottish Parliament. The Government signalled their commitment to bring forward legislation as soon as possible in the next Parliament for those matters outlined in the White Paper that require it.

The Scottish Affairs Committee's consideration followed a letter from the Speaker of the House of Commons to both the Scottish Affairs Committee and the Procedure Committee to ask for their views on how the recommendations in Part 4 of the Calman Commission's final report might be taken forward. Part 4 of the commission's final report related to relations between parliaments and governments.

Response to the committee's recommendations and findings

The Scottish Affairs Committee's report provides consideration of the recommendations made by the Commission on Scottish Devolution in relation to strengthening co-operation and communication between the House of Commons and the Scottish Parliament. These recommendations cover the following areas of co-operation and communication:

operation of the Sewel convention between parliaments;

increased involvement of Scottish MPs on Public Bill Committees where the Sewel convention is engaged;

introduction of a regular "state of Scotland" debate and re-consideration of the "self-denying ordinance";

ensuring that Standing Orders allow greater co-operation between committees in the Commons and Scottish Parliament;

consideration of a "Scottish Super Grand Committee";

examination of the access arrangements for MSPs and removal of the equivalent barriers in the Scottish Parliament;

discretion for committees and parliaments to invite Ministers to appear before committees of either parliament;

continued role for MPs and Scottish Affairs Committee in scrutinising the shape and operation of the devolution settlement; and

enhanced communication and co-operation between the House of Commons and the Scottish Parliament, including appropriate resourcing to enable this to happen and a recommendation for secondment and exchanges of staff.

All of these recommendations relate to the operation of effective inter-parliamentary relations. These are matters for the House, as acknowledged by the Government in the White Paper. Where the committee recommends changes to Standing Orders the Government will give consideration to bringing forward the necessary Motions early in the next Parliament.

In the White Paper the Government agreed that a strong relationship between the UK Parliament and the Scottish Parliament was an essential part of a framework for co-operation within the UK. We also welcomed the support shown by the Speaker of the House of Commons and the Presiding Officer of the Scottish Parliament to consideration of how to strengthen their relationships in its White Paper.

The Government believe that the third report from the Scottish Affairs Committee provides a very positive response and a strong framework for improving co-operation in line with the recommendations from the Commission on Scottish Devolution.

Gulf War Illnesses

Statement

The Minister for International Defence and Security (Baroness Taylor of Bolton): My honourable friend the Parliamentary Under-Secretary of State for Defence (Kevan Jones) has made the following Written Ministerial Statement.

As part of the Government's continuing commitment to investigate Gulf veterans' illnesses openly and honestly, data on the mortality of veterans of the 1990-91 Gulf conflict are published regularly. The most recent figures for the period 1 April 1991 to 31 December 2009 are published today as a national statistic notice on the Defence Analytical Services and Advice website.

The data for Gulf veterans are compared to that of a control group known as the "Era cohort" consisting of Armed Forces personnel of a similar profile in terms of age, gender, service, regular/reservists status and rank, who were in service on 1 January 1991 but were not deployed to the Gulf. As in the previous release, the "Era" group has been adjusted for a small difference in the age profile of those aged 40 years and over, to ensure appropriate comparisons.

Key points to note in the data are:

there have been 1,095 deaths among the Gulf veterans and 1,111 in the age-adjusted Era comparison group; and

the 1,095 deaths among Gulf veterans compare with approximately 1,828 deaths which would have been expected in a similar sized cohort taken from the general population of the UK with the same age and gender profile. This reflects the strong emphasis on fitness when recruiting and retaining service personnel.

These statistics continue to confirm that UK veterans of the 1990-91 Gulf conflict do not suffer an excess of overall mortality compared with service personnel that did not deploy.

The full notice can be viewed at http://www.dasa.mod.uk.

Health: Contaminated Blood Products

Statement

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): My honourable friend the Minister of State, Department of Health (Gillian Merron) has made the following Written Ministerial Statement.

Further to the Government's response to Lord Archer of Sandwell's report on NHS-supplied contaminated blood and blood products, which we published on 20 May 2009, I wish to inform the House that we have decided to bring forward a review of the Skipton Fund, which makes ex-gratia payments to those infected with hepatitis C as a result of their treatment.

The unintended and tragic consequences of these treatments have seriously impaired the lives of many people, together with those of their families. We have listened carefully to the views of those infected, their families, carers and many in this House, who have told us that our intended review date of 2014 will be too late for many of those affected. Consequently, we have decided that the review will begin as soon as possible this year.

It will be an independently chaired review. The terms of reference, membership and conduct of the review will be agreed in conjunction with the devolved Administrations.

I would also like to take this opportunity to confirm payment of £100,000 to the Haemophilia Society, as promised in our response of 20 May 2009.

I would like to reiterate this Government's sympathy for those affected by these treatments many years ago, before screening tests and methods of viral inactivation became available. We remain fully committed to supporting them in the best way we can.

Health: Maternity Services

Statement

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): My honourable friend the Parliamentary Under-Secretary of State, Department of Health (Ann Keen) has made the following Written Ministerial Statement.

Maternity and Early Years—Making a Good Start to Family Life published on 16 March 2010 contained an error on page 9 regarding the times when babies are offered immunisations. The correct sentence is:

"you will be offered immunisations for your baby when he or she is eight weeks, three months, four months, 12 months and 13 months old".

An erratum note has been placed in the Library and in the copies that are available for honourable Members from the Vote Office. A corrected version of the document is also available at www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_114023.

HM Customs and Excise: Criminal Cases

Statement

The Attorney-General (Baroness Scotland of Asthal): On 15 July 2003, Lord Goldsmith, then Attorney-General, announced to the House the publication of the report and recommendations of the honourable Mr Justice Butterfield following his review of the then practices and procedures relating to disclosure, associated investigation techniques and case management in Her Majesty's Customs and Excise's criminal cases. Lord Goldsmith and the then Economic Secretary to the Treasury had invited him to examine the circumstances that led to the termination of a number of prosecutions relating to London City Bond (LCB) in respect of alleged alcohol diversion fraud, in Liverpool Crown Court on 25 November 2002.

During the course of the Butterfield inquiry, a number of unrelated prosecutions in respect of alleged money laundering collapsed in circumstances which

gave rise to the same issues, and Mr Justice Butterfield was invited to examine the additional cases as part of his inquiry.

At the same time, the Metropolitan Police were conducting a criminal investigation (Operation Gestalt), which initially commenced in relation to the (LCB) prosecutions but which developed additional strands (Operation Tappert) as their inquiries progressed. As a result, Mr Justice Butterfield suspended the second part of his inquiry into the money laundering prosecutions (to avoid prejudicing the police inquiry) but completed and published his report of the main part of his inquiry in 2003.

The criminal investigations proceeded until their eventual conclusion in 2009 when, in respect of each strand of the investigations, the Crown Prosecution Service concluded that criminal proceedings were not justified.

The Attorney-General, with the agreement of the present Financial Secretary to the Treasury, has concluded that it is not necessary or desirable to invite Lord Justice Butterfield (as he now is) to complete the second part of his inquiry. Among other reasons, the passage of time means that any review would be focusing on practices which existed some years ago that have long since changed, and which were essentially of a similar kind to those examined in the report published in 2003. Moreover, the functions of HM Customs and Excise have since passed to Her Majesty's Revenue and Customs—which is subject to the same inspection and complaints regimes as other law enforcement bodies such as the police—to the Serious Organised Crime Agency and the UKBA.

Finally, a key recommendation of the Butterfield report that the prosecution function of HM Customs and Excise should be carried out by a wholly independent prosecuting authority to restore confidence in fair and effective prosecutions has been successfully implemented under the leadership of David Green QC. The Revenue and Customs Prosecutions Office, established in 2005, now forms an important part of the Crown Prosecution Service under the Director of Public Prosecutions.

Independent Monitoring Commission

Statement

Baroness Royall of Blaisdon: My right honourable friend the Secretary of State for Northern Ireland (Shaun Woodward) has made the following Ministerial Statement.

I have today published and laid before Parliament my fifth annual report on the operation of the agreement between the British and Irish Governments which established the Independent Monitoring Commission (IMC). This report covers the period 18 September 2007 to 17 September 2008.

In line with a commitment made by my predecessor, this report also contains the audited accounts of the IMC for the twelve-month period ending 31 March 2008.

The report covers the 17th and 18th report on paramilitary activity and the 19th report on the leadership of PIRA and assessment of the completion of the transformation of PIRA. It does not refer to the 20th report on paramilitary activity as this fell outside the 12-month period under review.

I am very grateful to the commissioners of the IMC for the continued commitment, focus and dedication they have shown during this reporting period, and for their continued efforts in promoting and maintaining a peaceful society and a stable and inclusive devolved Government in Northern Ireland.

Learning Disability

Statement

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): My honourable friend the Minister of State, Department of Health (Phil Hope) has made the following Written Ministerial Statement.

I am today placing in the Library *Valuing People Now: Delivery plan for 2010-11* which was published on 31 March 2010, to support the implementation of *Valuing People Now, a new three year strategy for people with learning disabilities* published in January 2009.

The delivery plan sets out the progress made in the first year. It also recognises that there is still more to do to improve the lives of people with learning disabilities and their family carers. The delivery plan sets out the key priorities for 2010-11, in particular, to improve employment and housing opportunities and better health outcomes for people with learning disabilities and their family carers.

Other materials, including *Person-centred planning guidance*, *Valuing Older Family Carers Now*, the *Valuing People Now Housing Delivery Plan* and a range of housing resources are available at www.valuing people.gov.uk/dynamic/valuingpeople6.jsp

Copies of the *Valuing People Now: Delivery plan 2010-11* are available to honourable Members from the Vote Office.

Legal Deposit Libraries

Statement

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): My right honourable friend the Minister for Culture, Media and Sport (Margaret Hodge) has made the following Written Ministerial Statement.

I would like to thank the Legal Deposit Advisory Panel (LDAP) for its recommendations on digital legal deposit and thank everyone who took the time to respond to the consultation.

My department has received 57 responses to the consultation from a broad range of stakeholders. This shows how important digital legal deposit is. The consultation, as you may have expected, has brought up many interesting and varying views and ideas on what the regulations should cover.

Since the close of the consultation, LDAP has provided me with its next set of recommendations on UK commercial and protected online publications.

I will now be considering all the responses we have received and LDAP's latest recommendations with a view to going out to consultation in September on draft regulations and on UK commercial and protected online publications content.

Local Authorities: Investments

Statement

The Parliamentary Under-Secretary of State, Department for Communities and Local Government & Department for Work and Pensions (Lord McKenzie of Luton): My honourable friend the Parliamentary Under-Secretary of State (Barbara Follett) has made the following Written Ministerial Statement.

The Government are grateful for the Communities and Local Government Committee's second report of Session 2009-10, *Local authority investments: the role of the Financial Services Authority*.

The committee's primary recommendation is that, "the Government bring forward the necessary legislative changes to place within the remit of the Financial Services Authority the provision of advice or information relating to deposit taking" (paragraph 16).

Having carefully considered the recommendation, the Government are not persuaded that such a course would be appropriate. The Department for Communities and Local Government has issued revised statutory guidance on investments which came into force on 1 April 2010. This includes a new recommendation that authorities' investment strategies should comment on their use of treasury management advisers. This will encourage officers to make explicit their procedures for using advisers and will give elected Members the opportunity to scrutinise those arrangements.

The revised *Guidance on Local Government Investments* is available at http://www.communities.gov.uk/documents/localgovernment/pdf/1501971.pdf.

Copies of the guidance have been placed in the Library of the House.

Local Government

Statement

The Parliamentary Under-Secretary of State, Department for Communities and Local Government & Department for Work and Pensions (Lord McKenzie of Luton): My right honourable friend the Secretary of State for Communities and Local Government (John Denham) has made the following Written Ministerial Statement.

I am today updating the House on progress the Government have made in implementing the Sustainable Communities Act 2007.

The Government remain committed to the Sustainable Communities Act. Local authorities put forward proposals to improve their local area to the Local Government Association (LGA), in its capacity as the selector, last summer. In December the LGA produced a shortlist of 199 proposals which the Government are required to consider and respond to under the Act. The Government are working to try to reach agreement with the LGA on which proposals should be implemented. My officials worked very closely with their counterparts from the LGA to set up three discussion panels which provided an opportunity for the proposals to be discussed in further detail between LGA and government officials. These panel meetings proved to be very helpful in clarifying issues behind proposals from both a government and LGA perspective and gathering further useful evidence. Consideration of the proposals is ongoing with other Whitehall departments. Many of the proposals are complex and the Government are investigating further issues raised by the LGA as part of the process. Once again, I would like to thank the LGA for its continuing efforts in assisting the Government in this significant task.

In the mean time, I am pleased to inform the House that the Government will be taking action to make progress with the following proposals:

The London Borough of Islington asked the Government to make it compulsory for owners of empty business premises (mainly shops) to talk to councils about the possibility of premises being used by the community, if they have been empty for six months. In response we will carry out a consultation, involving Islington and other relevant stakeholders, looking at the challenges behind engaging with landlords and owners.

Wirral Metropolitan Borough Council and South Hams District Council asked for communities to have the right to buy privately or publicly owned assets put up for sale in order to develop opportunities for communities to buy redundant buildings and land for community benefit. The Government will undertake an investigation into the challenges and barriers that a community right-to-buy approach would solve and what other solutions would help.

The London Borough of Redbridge, which suggested relaxing the rules on the illumination of some road signs to reduce costs of installation, maintenance, energy consumption and light pollution. The Government are now considering further relaxations to lighting requirements beyond those made in the 2002 review on this matter and will be undertaking further research into lighting through the national traffic signs policy review to assess the relative performances of lit and unlit signs in a number of environments.

Brighton and Hove City Council put forward a proposal requesting a freedom that would allow surplus produce from allotments to be sold to local markets and shops. In response the Government have been able to clarify that there are no legal restrictions on allotment holders selling genuinely surplus produce. This clarification was made on 3 March within a package of measures that set out the Government's support for gardeners and growing food in the community. This package also provided clarification to the London Borough of Waltham Forest, Birmingham and Sheffield City Councils, which have also put forward proposals about allotments under the Act, highlighting existing powers around allotments and the opportunity offered by new meanwhile

lease arrangements that will make it easier for people to take control of abandoned land while it is waiting to be used.

Newcastle City Council, Ryedale District Council, and Darlington Borough Council wanted action to address the problem of large pub and retail companies imposing restrictive covenants on pubs preventing them from operating as pubs when sold. The Ministry of Justice will consult on removing the right of pub owners to impose such restrictions that are leading to pub closure.

Kettering Borough Council and Redcar and Cleveland Borough Council asked for changes to rules that would allow the council's Community Protection Officer Service to carry out civil and crime related duties in a combined manner without fear of legal challenge and to improve the efficiency and quality of services provided. They want to change the statutory guidance to allow local authorities to employ single teams of wardens capable of dealing with all civil enforcement issues. The Government recognise this issue and the potential benefits of this request and have committed to undertaking a review of the current rules and any changes that may be needed to allow this idea to move forward.

Kent County Council asked for recourse to government funding to build a lorry park with 3,000 parking places to address lorry traffic problems locally which arise when the Kent police implement Operation Stack which enables them to close the M20 in order to hold large volumes of freight traffic.

The Department for Transport and the Highways Agency are currently reviewing the existing policy (Circular 01/2008) on motorway service areas and other roadside facilities on motorways and all-purpose trunk roads and trying to find ways to remove barriers to the development and use of lorry park facilities, rest facilities and improved signing to existing lorry parks. A public consultation on the revised policy is expected to be published within the next few months.

The Government are also looking to review their approach to the use of powers under Section 238 of the Highways Act 1980 to promote new roadside facilities for motorists and, in particular, provision for lorry drivers where appropriate to do so. Whilst this will not directly fund developments such as the one proposed by Kent, the approach would help to overcome the hurdle of securing planning approval. Use of these powers would provide an alternative means of securing site approvals. The delivery of the facilities could then be franchised to private operators on a competitive basis which will represent the best outcome for the taxpayer in terms of value for money.

There were a number of councils which put forward proposals pressing the Government to focus on improving energy efficiency and incentivising the development of renewable energy within communities. On 2 March, we published *Warm Homes, Greener Homes: A Strategy for Household Energy*, which addresses many of the issues raised by the proposals under the SCA. The introduction by the Government of feed-in tariffs in April this year and the launch next April of the Renewable Heat Incentive will also help to address these critical issues.

West Devon Borough Council, Herefordshire County Council and a number of other councils asked for a much wider role for post offices in communities including banking and financial services. In response the Prime Minister has already committed to do just that, and as a result we carried out a consultation to find out what people think about existing products and services offered through the Post Office, and our proposals for the future of the Post Office banking. In response to the consultation the Secretary of State for Business, Innovation and Skills made an announcement on 29 March about the sort of services that post offices will be offering in the future.

Wiltshire County Council asked for the Sustainable Communities Act process to be ongoing or annual. The existing Sustainable Communities Act requires that the process should not be a one-off. CLG officials have, however, been working closely with local works on the development of the Sustainable Communities (Amendment) Bill. The Government wholeheartedly support the current draft of the Bill which, if passed by Parliament, will provide a date for the next invitation for proposals to be issued and will enable the process of submitting and considering proposals to be improved.

The Government continue to assess the 199 proposals on the shortlist submitted by the Local Government Association. I intend to make a formal decision on which proposals the Government believe should be implemented alongside the associated actions the Government will take, later this year.

Maritime and Coastguard Agency: Targets

Statement

The Secretary of State for Transport (Lord Adonis): My honourable friend the Parliamentary Under-Secretary of State for Transport (Paul Clark) has made the following Ministerial Statement.

I am pleased to announce the targets for the Maritime and Coastguard Agency (MCA) for 2010-11.

These are:

maintain the quality of maritime emergency co-ordination and response by the coastguard;

helicopters tasked to respond to incidents will be airborne within 15 minutes during daylight hours and 45 minutes at night in at least 98 per cent of cases;

at each MCA search and rescue helicopter base, a helicopter will be available at least 98 per cent of the contracted time to respond to incidents;

meet the internationally required targets to inspect foreign vessels in UK ports under port state control arrangements, with an increasing emphasis on inspecting available ships judged to be high risk;

maintain the quality of the UK Ship Register by reducing the level of deficiencies recorded on UK ships inspected abroad, and maintain a position on the Paris MOU White List which is comparable to registers of a similar size and reputation;

as a category 1 responder, continue to meet the provisions of the Civil Contingencies Act including engagement with Local Resilience Forums (LRF); and

respond promptly to potential and actual pollution from ships around the UK coast, drawing effectively on resources including our emergency tugs, and following the procedures set out in the National Contingency Plan.

The MCA will also continue with their programme of work covering the following safety themes:

seafarer fatigue—working with the shipping industry and seafarer unions on a coherent strategy to reduce seafarer fatigue;

fishing vessel safety—working with the fishing industry to improve the safety of small fishing vessels (under 15m);

recreational safety—working with the agency's partner organisations (including the Royal National Lifeboat Institute and the Royal Yachting Association), to promote the wearing of lifejackets within the leisure sector and recreational safety more generally; and

vessel traffic management—identifying the future requirements of sea space management and the role the agency may perform.

The agency will also monitor its performance through a range of service standards and measured outcomes which will be reported in its published annual report and accounts.

Planning

Statement

The Parliamentary Under-Secretary of State, Department for Communities and Local Government & Department for Work and Pensions (Lord McKenzie of Luton): My right honourable friend the Minister for Housing and Planning (John Healey) has made the following Written Ministerial Statement.

I am today publishing the Government's response to the consultation conducted last year on housing and planning delivery grant (HPDG) which closed on 23 June 2009. The document sets out a summary of the responses received and also confirms both the amount available for HPDG in 2010-11 and the allocation mechanism for 2010-11 which has been considered in the light of the comments received.

The amount available for local authorities through HPDG will be £146 million, an increase from £135 million paid out in 2009-10. This reflects the importance the Government place on increasing housing supply and increasing the capacity of local authorities to support this by delivering viable land and an efficient planning service. The grant provides a direct incentive for councils to work with partners in the public and private sector to ensure that new homes are built where they are needed. It is additional to mainstream funding and councils have the freedom to decide how best to spend it locally.

In changes to the distribution mechanism we are reducing the threshold of net additional homes needed to qualify for the housing element in recognition of the more challenging conditions in the housing market. We are also introducing additional eligibility requirements for demonstrating land for housing in order to reinforce existing requirements in Planning Policy Statement 3 and increase confidence in the land supply position across the county. This builds on the confirmation set out in the budget that the Planning Inspectorate will undertake comprehensive checks on land supply and publish the results.

I have placed a copy of the Government's response to the consultation document has been placed in the Library of the House. This will also be available on the Communities and Local Government website.

Roads: Service Areas

Statement

The Secretary of State for Transport (Lord Adonis): My honourable friend the Parliamentary Under-Secretary of State for Transport (Chris Mole) has made the following Ministerial Statement.

I am today publishing a consultation document seeking views on revisions to Department for Transport (DfT) circular 01/2008 on service areas and other roadside facilities on motorways and all-purpose trunk roads in England.

This circular sets out the department's policy on the provision, standards and signing of roadside facilities on the strategic road network (SRN), including motorway service areas (MSAs), motorway rest areas (MRAs), truckstops, and services and lay-bys on all-purpose trunk roads (APTRs).

The department is now reviewing these policies and as part of this process needs to better understand the views and experiences of those that are affected by them.

The consultation document proposes making a number of changes to existing policy, such as allowing new dedicated lorry parking facilities to be located directly off motorways and requiring roadside facilities to provide recharging facilities for electric vehicles. The responses received during the consultation will inform the consideration of the policy options.

Copies of the consultation have been placed in the Libraries of the House.

Swine Flu

Statement

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): My right honourable friend the Secretary of State for Health (Andy Burnham) has made the following Written Ministerial Statement.

I have previously undertaken to update the House on the negotiations concerning the orders placed by the Government for H1N1 vaccine, at their conclusion. I am pleased to be able to inform the House that we have now reached a mutually satisfactory agreement with GlaxoSmithKline (GSK) to limit the department's orders of swine flu vaccine, and that this settlement will result in savings of around a third of the original value of the total orders with GSK.

I am confident that the negotiated settlement both protects the public purse by obtaining full value for payments made without incurring a cancellation fee and ensures that the United Kingdom remains at the

forefront of pandemic preparedness worldwide. The agreement involves the department taking total deliveries of 34,838,500 doses of Pandemrix, including vaccine received so far. This will allow us to continue with on-going vaccination programmes and keep a sizeable strategic reserve of vaccine in case the virus mutates. We are also planning to donate 3.8 million doses to the World Health Organisation to boost immunity in Africa before the rainy season.

In addition, the department will purchase H5N1 "bird flu" vaccine and courses of the antiviral Relenza (to replace the amount of Relenza made available during the response to the swine flu pandemic) as part of the agreement. The probability of a more severe influenza pandemic has not diminished following the swine flu pandemic, and taking measures such as these now will help protect the population in the event of a future pandemic. However, as with other contracts, further details of the agreement are commercially confidential.

This negotiated settlement with GSK follows the decision to cancel the remaining orders with Baxter on 28 February 2010, utilising our break clause in the contract. We entered into more detailed negotiations with GSK because our contract with it did not contain a break clause, in line with its agreements with other countries. These discussions regarding limiting vaccine orders were necessary as our increased understanding of the virus demonstrated that fewer swine flu vaccines were required. This was partly because the virus has proved mild in most people (although more severe and, tragically, fatal in some instances), but also as scientists established that one dose of the vaccine was sufficient to confer immunity.

Taxation: Double Taxation

Statement

The Financial Services Secretary to the Treasury (Lord Myners): My right honourable friend the Financial Secretary has made the following Written Ministerial Statement.

A double taxation agreement with Germany was signed on 30 March 2010. The text of the agreement has been deposited in the Libraries of both Houses and made available on HM Revenue and Customs' website. The text will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

Terrorism: Finance

Statement

The Financial Services Secretary to the Treasury (Lord Myners): My honourable friend the Exchequer Secretary has made the following Written Ministerial Statement.

In a Written Ministerial Statement on 10 October 2006, the then Economic Secretary undertook to report to Parliament on a quarterly basis on the operation of the UK's counterterrorism asset-freezing regime. This is the 14th of these reports and covers the period January to March 2010.[1]

Asset-freezing designations

In the quarter January to March 2010, the Treasury issued no directions designating persons under the Al-Qaida and Taliban (United Nations Measures) Order 2006. As a result of the quashing of this order, the one extant direction under the order has no effect.

During this quarter, the Treasury gave no new directions under the Terrorism (United Nations Measures) Order 2009.

There were no financial sanctions designations of persons with links to the UK made at the UN or at the EU, in relation to the terrorism or Al-Qaeda and the Taliban asset-freezing regimes.

As of 31 March 2010, a total of 226 accounts containing just over £370,000[2] of suspected terrorist funds were frozen in the UK.

Reviews under the Terrorism Order 2006

The Treasury keeps domestic asset-freezing cases under review and completed three reviews in this quarter. All three persons had their designation revoked.

Licensing

Maintaining an effective licensing system is important to ensure the overall proportionality and fairness of the asset-freezing regime, whether the individuals concerned are subject to an asset freeze in accordance with a UN or EC listing, or domestic terrorism legislation. A licensing framework is put in place for each individual on a case-by-case basis. The key objective of the licensing system is to strike an appropriate balance between minimising the risk of diversion of funds to terrorism and meeting the human rights and humanitarian needs of affected individuals and their families.

Twenty-four licences were issued this quarter in relation to 15 individuals and/or entities subject to an asset freeze under the Al-Qaeda and Taliban and terrorism regimes.

Proceedings

On 9 February 2010, during the debate on the Terrorist Asset-Freezing (Temporary Provisions) Bill, the Treasury committed to reporting on proceedings taken for any offences under the asset-freezing regime.

In the quarter January to March 2010, there have been no proceedings taken for breaches of the prohibitions of the Terrorism Orders or the Al Qaida and Taliban Order.

Developments

The Supreme Court judgment and the Terrorist Asset-Freezing (Temporary Provisions) Act 2010: As referred to in the 13th quarterly report to Parliament for the period October to December 2009, on 4 February 2010 the Supreme Court quashed the Terrorism (United Nations Measures) Order 2006. The Government fast-tracked temporary legislation to prevent suspected terrorists' assets from being unfrozen. The Terrorist Asset-Freezing (Temporary Provisions) Act 2010 came into force on 10 February 2010 and temporarily validates the Terrorism (United Nations Measures) Orders 2009, 2006 and 2001, ensuring that asset freezes under those orders remain

in place. The Act expires on 31 December 2010. Before then, the Government intend to introduce more permanent legislation that will establish the terrorist asset-freezing regime in primary legislation. A draft of the legislation, the Terrorist Asset-Freezing Bill, was published on 5 February 2010. The Bill can be found at http://www.hm-treasury.gov.uk/fin_sanctions_terrorist_assetfreezingbill.htm.

On 11 March 2010, the Government published a public consultation document which sets out the Government's approach to terrorist asset freezing and its proposals for more permanent terrorist asset-freezing legislation and seeks the views of the public and other interested parties on the proposals. The consultation document can be found at http://www.hm-treasury.gov.uk/consult_liveindex.htm.

Al Qaida and Taliban (Asset Freezing) Regulations 2010: On 4 February 2010, the Supreme Court also quashed the Al Qaida and Taliban Order. Assets previously frozen under that order remain frozen under EC Regulation 881/2002. The EC regulation is directly applicable in UK law, but secondary legislation is required to provide for penalties for failing to comply with the prohibitions in the EC regulation and to establish a UK framework for the effective administration of asset freezes against persons listed by the EU as being associated with Al-Qaeda or the Taliban.

In order to put in place penalties and establish such a framework, the Government laid new regulations before Parliament: the Al Qaida and Taliban (Asset Freezing) Regulations 2010.

The regulations were laid on 25 February 2010 and debated in the House of Lords on 25 March and in the House of Commons on 30 March. They came into effect at midnight on 31 March.

[1] The detail that can be provided to the House on a quarterly basis is subject to the need to avoid the identification, directly or indirectly, of personal or operationally sensitive information.

[2] This figure reflects account balances at time of freezing and includes approximately $58,000 of suspected terrorist funds frozen in the UK. This has been converted using exchange rates as of 30/03/10. Future fluctuations in the exchange rate may impact on the contribution this sum makes to future totals of suspected terrorist funds frozen.

Valuation Office Agency: Key Performance Indicators

Statement

The Financial Services Secretary to the Treasury (Lord Myners): My honourable friend the Economic Secretary has made the following Written Ministerial Statement.

I have today set the following key performance indicators for the Valuation Office Agency for 2010-11:

Customer satisfaction

to achieve overall customer satisfaction of 90 per cent.

Operations

to determine 95 per cent of housing benefit claims where no inspection is required in three working days;

to enable prompt issue of tax assessments, for inheritance tax and capital gains tax, by clearing all HMRC initial appraisal cases within an average of five days;

to contain reductions in the 2005 rating lists to a maximum of 4.2 per cent of the total compiled list rateable value, over the entire life of the lists;

to contain reductions in the 2010 rating lists to a maximum of 3.6 per cent of the total compiled list rateable value, over the entire life of the lists;

to ensure that 96 per cent of new council tax bandings are right first time;

to complete the compliance reviews of broad rental market areas in England for local housing allowance purposes; and

to achieve income from non-statutory services of at least £19 million.

Value for Money

to improve overall value for money on local taxation work by 3 per cent a year; and

to achieve full cost recovery reflecting a 5 per cent reduction in budget for the year on all work for HMRC.

Security

to have zero data incidents reportable to the Information Commissioner.

Written Answers

Tuesday 6 April 2010

Agriculture: Genetically Modified Crops

Questions

Asked by ***The Countess of Mar***

To ask Her Majesty's Government further to the Written Answer by Lord Davies of Oldham on 10 March (*WA 61-2*), where all experimental data sets contained in applications to market genetically modified food or feed products are publicly available; and what steps they take to ensure that those data sets are available for independent peer review. [HL2863]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): Summaries of applications to market genetically modified food or feed are available on the website of the European Food Safety Authority (EFSA). In addition, the public can request access from EFSA to all the information contained in applications. Regulation (EC) No. 1829/2003 requires these to be made publicly available, apart from certain information that meets defined criteria for confidentiality.

Asked by ***Baroness Byford***

To ask Her Majesty's Government how many trials of genetically modified crops were undertaken in England in each year from 2002 to 2009; how many were completed; and what evaluations were carried out on them. [HL3012]

Lord Davies of Oldham: The information requested on the number of genetically modified (GM) crop trials planted and completed front 2002 is given below:

Year	*No. of trials planted*	*No. of trials completed*
2002	109	95
2003	8	5
2004	1	1
2005	0	0
2006	0	0
2007	1	1
2008	2	1
2009	1	1

Of the trials planted in 2002, 87 were for the government-sponsored Farm Scale Evaluations research project. This studied the impact on farmland biodiversity of the novel herbicide use associated with GM herbicide-tolerant maize, beet and oilseed rape. The results showed that the herbicide regimes applied in the trials for the GM beet and oilseed rape crops had a negative effect on wildlife compared to the herbicide regimes for the equivalent conventional crops, whereas the results for the GM maize were better than those for its non-GM counterpart.

Nine of the trials planted in 2002 and one of those planted in 2003 were conducted as part of the national list process for the marketing of new seed varieties. Under this statutory process, overseen in England by the Food and Environment Research Agency, varieties are trialled to assess whether they are distinct, uniform and stable, and whether they are an improvement over existing varieties. Only those that meet the required criteria are entered on the national list of approved varieties. As most of the GM-related national list trials in 2002 and 2003 were not completed, no evaluation was made of the outcome.

All of the other trials planted from 2002 to 2009 were undertaken by companies or academic research institutes for their own purposes. Defra has not evaluated the results of these trials. As the regulatory authority, Defra's role was to ensure that these trials were conducted in accordance with the relevant statutory conditions, and formal inspection visits were made for this purpose.

Asked by ***The Countess of Mar***

To ask Her Majesty's Government what measures are proposed for disposing of waste products after starch extraction from Amflora potatoes; and, if they are to be processed into animal feeds, whether they will be (a) labelled, and (b) studied for possible adverse effects. [HL3088]

Lord Davies of Oldham: Specific measures are not required for disposing of the residue from these genetically modified (GM) potatoes after starch extraction. The use of the residue for animal feed has been authorised in the European Union (EU) after a robust safety assessment. Feed derived from the potatoes would have to be clearly labelled to indicate its GM origin. The consent holder, BASF Plant Science GmbH, is required to undertake monitoring for possible adverse effects and provide annual reports on this to the Commission. The Amflora GM starch potato will not be marketed or grown in the UK. We do not have a potato starch processing industry or possess an EU quota for the production of starch potatoes.

Agriculture: Maps

Questions

Asked by ***Baroness Byford***

To ask Her Majesty's Government how many farmers have had their landholding reduced after having been sent a final map by the Rural Payments Agency. [HL3008]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): The Rural Payments Agency (RPA) does not record information on the number of farmers who have had their landholding reduced or increased after having been sent a final map in a form that is readily accessible.

There are reasons why landholdings may be reduced following receipt of final maps. These include findings from inspections and changes the farmer asks to be made.

Asked by ***Baroness Byford***

To ask Her Majesty's Government what percentage of (a) landholdings, and (b) the area covered by the mapping scheme, had been notified by the Rural Payments Agency to landholders by the end of February. [HL3009]

Lord Davies of Oldham: The Rural Payments Agency has been updating the rural land register and as part of this mapping update project had sent a new set of maps to 102,455 customers by the end of February 2010. This equates to 94.6 per cent of customers and 94.4 per cent of the area registered.

Some 5,767 holdings were treated differently and did not receive initial maps because they were subject to remote sensing or a physical inspection for the 2009 single payment scheme. They will receive their updated maps after the end of February once all inspection findings have been taken into account.

Anguilla

Question

Asked by ***Lord Jones of Cheltenham***

To ask Her Majesty's Government what was the outcome of their recent discussions with the Chief Minister of Anguilla. [HL3169]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): The Chief Minister, Mr Hubert Hughes, and a delegation visited London on 18 March and held meetings with the Minister for the Overseas Territories and with the Director for the Overseas Territories at the Foreign and Commonwealth Office. Those meetings focused on the difficult economic challenges that Anguilla faces in addressing a sizeable budget deficit and on the commitment of the new Government of Anguilla to tackle crime and corruption. The Chief Minister sought advice and assistance in tackling these issues. The Minister and the director committed to working in partnership with the Government of Anguilla on these and other issues.

Animal Health: Exotic Diseases

Question

Asked by ***The Countess of Mar***

To ask Her Majesty's Government who will take the lead in the event of an outbreak of exotic disease under their proposals for sharing costs and responsibility for animal health and welfare. [HL3089]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): Under the responsibility and cost-sharing proposals, the board and its chair will be responsible for day-to-day decisions on animal disease control measures in the event of a disease outbreak in England. The board will take decisions on the advice of the England CVO, in consultation with the CVO (UK), core stakeholders, and the devolved Administrations, as well as other appropriate parts of government. The England CVO will lead the immediate response. The chair and board will keep Ministers and the wider government informed as necessary.

Armed Forces: Afghanistan

Questions

Asked by ***Lord Stoddart of Swindon***

To ask Her Majesty's Government whether, in the light of the approaches of the Governments of the United States and Argentina towards British sovereignty over the Falkland Islands, they will reduce the number of British troops in Afghanistan. [HL2941]

The Minister for International Defence and Security (Baroness Taylor of Bolton): Afghanistan remains the Ministry of Defence's main effort and we keep our force levels under constant review to ensure that commanders have the capabilities that they need to complete the tasks that we ask of them.

Asked by ***The Earl of Sandwich***

To ask Her Majesty's Government further to the Written Answer by Baroness Taylor of Bolton on 16 March (WA 147), whether the Ministry of Defence received representatives of the aid agencies on 26 January when they expressed concerns about the role of provincial reconstruction teams in Afghanistan; and, if so, when they intend to address those concerns; and how. [HL3183]

The Minister for International Defence and Security (Baroness Taylor of Bolton): The Ministry of Defence (MoD) was represented at an outreach event for civil society, including aid agencies, convened prior to the London conference on 26 January 2010. We understand that some aid agencies hold concerns about the role of provincial reconstruction teams (PRTs) in delivering development projects.

The UK-led international PRT in Helmand delivers through personnel from the Department for International Development, the Foreign and Commonwealth Office, the stabilisation unit and the MoD. It works closely with the Afghan local and provincial authorities to enable them to address the reconstruction and development needs of Helmand.

The UK continues to work closely with International Security Assistance Force, the Afghans and aid agencies to ensure that PRTs are delivering the most effective support to the Afghan Government, depending on their local situation.

Armed Forces: Aircraft

Questions

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government how many Harrier aircraft are (a) in service with HM Armed Forces, and (b) in operational condition. [HL2944]

To ask Her Majesty's Government where the Harrier aircraft which are (a) in service with HM Armed Forces, and (b) in operational condition, are based. [HL2945]

The Minister for International Defence and Security (Baroness Taylor of Bolton): "In service" has been taken to mean the effective fleet, which includes all aircraft barring those that are redundant, declared as surplus or awaiting disposal.

For the month of February 2010, there were a total of 72 Harriers in service, of which 46 aircraft were available to Joint Force Harrier (JFH) for tasking. The number of aircraft in the available fleet will fluctuate from day to day depending on planned maintenance or unforeseen rectification work, so the figure provided is an average rounded to the nearest aircraft. The remaining aircraft were either undergoing depth maintenance or rectification work, awaiting disposal or being used as trial aircraft.

All Harriers in the in-service fleet are based at RAF Cottesmore, Wittering and Coningsby. After a very successful five years deployed in Afghanistan providing close air support to troops on the ground and tactical surveillance/reconnaissance, JFH is now undergoing a period of regeneration to rebuild the wider skill sets not utilised in Afghanistan.

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government whether there will be a gap in capability during the transition between retiring Harrier pilots and training Joint Strike Fighter pilots. [HL2946]

Baroness Taylor of Bolton: The Royal Navy and Royal Air Force are jointly developing a transition plan to ensure that the Joint Combat Aircraft (JCA) Force is manned by transferring personnel from the Joint Force Harrier (JFH), from other aircraft types and directly from initial training. This plan will ensure that both JFH and JCA are appropriately manned through this transition period.

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government how many military exercises involving a take-off and landing from an aircraft carrier the Royal Air Force has conducted in the past four years; and using which aircraft. [HL2947]

Baroness Taylor of Bolton: There have been 15 military exercises in the past four years that the RAF has conducted involving take-off and landing from an aircraft carrier. The aircraft used were Harriers from the Joint Force Harrier and RAF Chinook helicopters.

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government what percentage of soldiers serving in the Parachute Regiment are fully qualified to conduct a static-line jump from a Hercules aircraft. [HL2948]

Baroness Taylor of Bolton: As at 20 March 2010, 84 per cent of officers and soldiers of the 2nd and 3rd Battalions of the Parachute Regiment have passed the basic parachute course and are therefore qualified to conduct a static-line jump from any aircraft, including Hercules.

There will always be a number of personnel awaiting qualification given the constant output of newly trained soldiers and other factors, including the recent bad weather, which disrupted the training programme. We are confident that the trained percentage will increase over the next few months.

I am withholding the information for 1st Battalion the Parachute Regiment as its disclosure would, or would be likely to, prejudice the capability, effectiveness or security of the Armed Forces.

Armed Forces: Job Cuts

Question

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government what (a) regiments, and (b) service roles, will the cut of 500 jobs from the Army be aimed at, following the announcement by the Ministry of Defence on 22 March. [HL3070]

The Minister for International Defence and Security (Baroness Taylor of Bolton): Decisions on the particular regiments and service roles on which soldier manning control points will be focused have not yet been made, but this is not a reduction in the overall strength of the Army. It is a sensible approach to delivering the correct manning balance across the Army.

Armed Forces: Languages

Question

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government what steps they are taking to increase the number of Dari Persian speakers deployed to Afghanistan serving in Her Majesty's Armed Forces. [HL2997]

The Minister for International Defence and Security (Baroness Taylor of Bolton): The military requirement for deployed Dari speakers is evolving and is under constant review, with Permanent Joint Headquarters (PJHQ) and the Defence Operational Languages Support Unit (DOLSU) working closely together to define all aspects of the language requirements.

The increased requirement is being met through language training at all levels as appropriate, and the use of previously trained personnel. Language training opportunities are widely advertised through defence internal communications channels and generate significant interest. Selection panels are held to select the strongest candidates for long language training.

As Dari is a mandated operational language, military Dari linguists with tested and current language skills are entitled to payments under the Defence Operational

Languages Award Scheme (DOLAS) which has been put in place to encourage military personnel to gain, actively use and maintain language skills.

Armed Forces: Wounded Personnel

Question

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government what measures are in place to protect injured service personnel at Selly Oak Hospital from abuse by civilian patients and their visitors. [HL3068]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): We condemn any acts of disrespect towards any patients including military and members of the United Kingdom Armed Forces in general. However, for operational security reasons, it would be inappropriate to discuss the specific details of measures currently in place to protect military patients being treated by University Hospitals Birmingham NHS Foundation Trust at the Selly Oak and Queen Elizabeth hospitals.

Security, as at all hospitals, is kept under constant review at Selly Oak Hospital. Liaison arrangements are in place between the Royal Centre for Defence Medicine, the hospital, Special Branch, and the local police.

Later this year, the new military ward will be in use at the new Queen Elizabeth Hospital, Edgbaston. Here military patients will typically be accommodated together in four-bedded rooms, which will further reduce the risk of abuse by civilian patients or visitors. All staff are appropriately trained and briefed in how to respond to such situations.

Bangladesh

Question

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what representations they are making to the Government of Bangladesh and the United Nations High Commissioner for Refugees to address humanitarian issues in the camps for Rohingya refugees on the Bangladesh-Burma border. [HL2846]

Lord Brett: We have raised the plight of the Rohingyas and their status with the Government of Bangladesh, both bilaterally and in concert with EU partners. Most recently my right honourable friend the Parliamentary Under-Secretary of State raised the conditions of the Rohingyas in the camps with the Minister for the Environment and Forests during a meeting in London on 17 March. Officials from the British high commission in Dhaka, including the high commissioner, have visited the camps for displaced Rohingyas. Officials also held discussions with representatives from the United Nations High Commissioner for Refugees on 15 March in Dhaka.

BBC: Public Service Broadcasting

Question

Asked by ***Lord Smith of Finsbury***

To ask Her Majesty's Government what discussions they have had with the BBC Trust about the relative costs to licence fee payers of (a) BBC Radio 6, (b) BBC Asian Network, (c) BBC Radio 3 (television); and what assessment they have made of the contribution each station or channel makes to the BBC's public service broadcasting responsibilities. [HL3126]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): Neither I nor the Secretary of State for Culture, Media and Sport has discussed these matters with the BBC Trust.

The Secretary of State for Culture, Media and Sport met the Director-General of the BBC on 8 March, at which the director-general gave him a brief summary of the BBC's strategy review, which had been published on 2 March.

The Government have made no assessment of the kind suggested by my noble friend. The BBC Trust is now conducting a public consultation on the BBC's proposed strategy. Under the terms of the Royal Charter, the BBC Trust is responsible for securing the effective promotion of the BBC's public purposes and for holding the executive board to account for its performance in delivering the corporation's services and activities.

Belfast Agreement

Question

Asked by ***Lord Laird***

To ask Her Majesty's Government further to the Written Answer by Baroness Royall of Blaisdon on 16 March (*WA 151*), what discussions they have had about funding to the Irish and Ulster-Scots communities since 1 January. [HL2980]

Baroness Royall of Blaisdon: The responsibility for the promotion of the Irish language and Ulster-Scots language and culture, with the exception of broadcasting issues, is devolved.

As part of the St Andrews agreement, the Government made a commitment to work with the Executive to support their work in these areas. The Government continue to have a range of discussions on how this can be done.

British Embassies: Military Attaches

Question

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government how many British embassies were without a military attaché in each year since 2005. [HL2764]

The Minister for International Defence and Security (Baroness Taylor of Bolton): The following table shows the number of British embassies and high commissions that have been without a defence attaché/adviser since 2005; the figures include attaché representation to the United Nations HQ in New York.

	04-05	*05-06*	*06-07*	*07-08*	*08-09*	*09-10*
Total Embassies and High Commissions	150	150	142	143	142	140
Total Defence Sections	84	85	82	81	74	69
Embassies and High Commissions without Military Attaché	66	65	60	62	68	71

In addition to the countries where we have a resident defence attaché/adviser, 73 other countries or overseas territories are covered by non-resident attachés. The MoD keeps the attaché network under review to ensure that the most effective and efficient coverage is provided for UK security interests.

Budget: Efficiency Savings

Question

Asked by ***Lord Oakeshott of Seagrove Bay***

To ask Her Majesty's Government what is the breakdown of the £11 billion of efficiency savings announced in the 2010 Budget to be achieved by 2012–13, detailing each item forecast to save more than £25 million. [HL3181]

The Financial Services Secretary to the Treasury (Lord Myners): Budget 2010 announced further detail of £11 billion of cross-cutting efficiency savings to be delivered by 2012-13. This includes:

£8 billion from the operational efficiency programme;

at least £500 million from reforming and rationalising arm's-length bodies;

over £650 million from reducing departmental consultancy spend by 50 per cent and departmental marketing and communications spend by 25 per cent;

£500 million from reducing spending on IT programmes across government;

£300 million from increasing energy efficiency across the public sector;

£140 million from reducing the cost of the Senior Civil Service by 20 per cent and reducing sickness absence in the public sector, and

at least £600 million from making better use of telephony and e-channels.

Alongside the Budget, departmental press notices have broken down each department's share towards the £11 billion and contain further details of how these savings will be delivered.

Chemicals: REACH Regulation

Question

Asked by ***Lord Hoyle***

To ask Her Majesty's Government what is the cost of gaining authorisation of a critical substance under the European Union Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH); and whether there is a further cost on each occasion the substance is used. [HL3057]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): The fees for applications for an authorisation, or a subsequent review, are set out in Commission Regulation (EC) No 340/2008 on the fees and charges payable to the European Chemicals Agency. The agency is required to be self-financing through the fees and charges made for the services it provides. There is a standard authorisation base fee of €50,000 per application for a specific use of a substance. Where more than one substance is being included in an application the additional fee is reduced to €10,000 per substance. Small and medium enterprises (SMEs) attract a scale of reduced fees. There is no additional cost applying to an authorised substance on each occasion that it is used.

A further cost to industry for an authorisation will be that of gathering the necessary data on the properties of the substance to support an application. The authorisation process has not yet reached the stage where companies need to put together application dossiers so it is impossible to quantify what this cost might be for any particular company applying for an authorisation.

Children: Creches and Nurseries

Question

Asked by ***Lord Moonie***

To ask Her Majesty's Government what regulations are in force for crèches and nurseries in England and Wales concerning access to open space by children. [HL2991]

The Parliamentary Under-Secretary of State, Department for Children, Schools and Families (Baroness Morgan of Drefelin): In England, the Childcare (Early Years Register) Regulations 2008 requires any provider caring for children aged from birth up to five to register on the early years register and deliver the statutory framework for the early years foundation stage (EYFS), unless exempt. Under the framework, providers are required to provide access to outdoor play areas. Where access to outdoor play areas is not possible, outings should be planned and taken on a daily basis.

Crèches are exempt from registering on the early years register because they are designed to provide short-term care only. Therefore, there is no requirement on crèches to provide access to open space. Childcare provision in Wales is governed by the Welsh Assembly Government.

Cluster Bombs

Questions

Asked by ***Baroness Northover***

To ask Her Majesty's Government following the passage of the Cluster Munitions (Prohibitions) Bill, when all cluster bombs will be removed from the American bases at RAF Lakenheath, RAF Welford and Diego Garcia. [HL3110]

The Minister for International Defence and Security (Baroness Taylor of Bolton): I can confirm that the US has identified its cluster munitions on UK territory as exceeding its worldwide operational planning requirements. Therefore, these cluster munitions will be removed from sites in the UK in 2010 and from all UK territories by 2013, as announced on 8 December 2009 by Baroness Kinnock during the Cluster Munitions (Prohibitions) Bill Second Reading in the House of Lords (*Official Report*, col. 1020).

Asked by ***Baroness Northover***

To ask Her Majesty's Government in which American military bases on British soil and in British overseas territories are cluster bombs held; and what verification arrangements they have made to ensure that those weapons are removed. [HL3111]

Baroness Taylor of Bolton: The United States stores various weapons in the UK. The US inventory of weapons is declared annually to the Ministry of Defence who ensure that all weapons are appropriately licensed and stored. It would be inappropriate to disclose the numbers, types and locations of such weapons. Therefore, I am withholding the detailed information as its disclosure would, or would be likely to, prejudice relations between the United Kingdom and the United States.

However, I can confirm that the US has identified its cluster munitions on UK territory as exceeding its worldwide operational planning requirements. Therefore, these cluster munitions will be removed from sites in the UK in 2010 and from all UK territories by 2013, as announced on 8 December 2009 by Baroness Kinnock during the Cluster Munitions (Prohibitions) Bill Second Reading in the House of Lords (*Official Report*, col. 1020).

Common Agricultural Policy: Single Payment Scheme

Questions

Asked by ***Baroness Byford***

To ask Her Majesty's Government further to the Written Answer by Lord Davies of Oldham on 15 March (*WA 118*), what estimate the Rural Payments Agency has made of the cost to those farmers awaiting full payment of claims under the single payment scheme for 2007 and 2008 of the delay in making those payments; and whether the agency provides any funds towards those costs. [HL3090]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): The Rural Payments Agency (RPA) is not able to estimate costs incurred by individual farmers as they vary with each business.

Where a full payment under the single payment scheme cannot be made by the end of the payment window for a particular scheme year, a substantial interim payment is made in most cases. However, that is not always possible, particularly where the reasons for delay are outside of RPA's control such as probate.

The RPA makes interest payments, above a de minimis level of £50, for any sums paid after the end of the payment window. Interest is paid at the London Interbank Offered Rate (LIBOR) plus 1 per cent, calculated from 1 July.

Asked by ***Baroness Byford***

To ask Her Majesty's Government further to the Written Answer by Lord Davies of Oldham on 15 March (*WA 118*), whether the 35 outstanding claims for 2007 include the 31 claims referred to in the footnote; whether the 92 claims for 2008 include the 67 claims referred to in the footnote; and, in either case, why the total for both years was given as 157. [HL3091]

Lord Davies of Oldham: In respect of the Written Answer by Lord Davies on 15 March (*WA 118*), the 35 outstanding single payment scheme (SPS) claims for the 2007 SPS scheme year include the 31 claims referred to in the footnote and the 92 claims for the 2008 SPS scheme year include the 67 claims referred to in the footnote.

The total of 157 was an arithmetic clerical error and should have read 127. I have requested that the *Official Report* be corrected.

Community Broadband Network

Question

Asked by ***Lord Laird***

To ask Her Majesty's Government further to the Written Answer by Lord Young of Norwood Green on 23 March (*WA 275*) concerning the funding of the community broadband network, whether they will place copies of the business cases supporting the funding in the Library of the House. [HL3130]

The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills (Lord Young of Norwood Green): It is commercially confidential.

Council Tax

Question

Asked by ***Lord Bates***

To ask Her Majesty's Government further to the Written Answer by Lord Myners on 15 March (*WA 120*), whether they will publish the summary of key property types, with personal information that would contravene the Commissioners for Revenue and Customs Act 2005 redacted. [HL2974]

The Financial Services Secretary to the Treasury (Lord Myners): The information could be provided only at disproportionate cost.

Asked by ***Lord Bates***

To ask Her Majesty's Government further to the Written Answer by Lord Myners on 15 March (*WA 120*), whether a conservatory is considered by the Valuation Office Agency when assessing the value of a dwelling for a council tax valuation or revaluation; and what estimate the agency has made of the average increase in capital value of a dwelling as a consequence of the addition of a conservatory. [HL2975]

Lord Myners: The addition of a conservatory is likely to be value significant and would constitute a "material increase" under Section 24(10) of the Local Government Finance Act 1992. As such, it would not affect a council tax band unless and until a "relevant transaction" took place (and only then if it added sufficient value to put a property into a higher band).

In the event of a revaluation, the existence of a conservatory would be taken into account, as would any other feature, positive or negative, that affects value in the market at the time.

Dwellings are valued "as a whole" and as such the value of a conservatory is not separately calculated.

Courts Service: Estates

Question

Asked by ***Lord Stoddart of Swindon***

To ask Her Majesty's Government further to the Written Statement by Lord Bach on 18 March (*WS 80–81*), how many magistrates' courts there were in 1997; how many there will be following the closures announced in the Statement; how many serving magistrates there were in 1997; how many there are at present; how many men and how many women magistrates there were in 1997; and what are the present numbers. [HL3114]

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Bach): Up until 1 April 2005, magistrates' courts were the responsibility of locally managed magistrates' courts committees who were statutorily independent. The Ministry of Justice does not hold information on the number of magistrates' courts prior to 2005, as they were not required by statute to inform the department of closures that were not subject to an appeal under Section 56(3) of the Justices Peace Act 1997 (now repealed). Research suggests that there were 479 magistrates' courts in 1997 and 335 will remain following the closures announced in the Statement.

In 1997, there were 30,374 magistrates of which 14,516 (47.8 per cent) were female and 15,858 were male. As at 25 March 2010, there are 28,761 magistrates of which 14,633 (51 per cent) are female and 14,128 are male.

Crime: Rape

Questions

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government how many convictions for rape there were in each of the past five years in England and Wales; and what percentage of prosecutions for rape resulted in convictions. [HL3149]

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Bach): The number of defendants proceeded against at magistrates' courts and found guilty at all courts for rape of a male and female, England and Wales 2004 to 2008 (latest available) can be viewed in the following table. The table includes conviction rate figures which are based on the proportion of defendants proceeded against who were found guilty.

Court data for 2009 are planned for publication in the autumn, 2010.

The number of defendants proceeded against at magistrates' courts, and found guilty at all courts for rapes[1] England and Wales 2004 to 2008 [3] [4] [5]

Year	*Proceeded against*	*Found guilty*	*Conviction rate (%)[2]*
2004	2,453	644	26
2005	2,558	694	27
2006	2,335	754	32
2007	2,138	777	36
2008	2,181	822	38

(1) Includes: Rape of a female and male (excludes attempted rape).

(2) Proportion of defendants proceeded against who were found guilty.

(3) The figures given in the table on court proceedings relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences it is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

(4) Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

(5) Excludes data for Cardiff magistrates' court for April, July, and August 2008.

Source: Justice Statistics Analytical Services in the Ministry of Justice.

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government in how many prosecutions for rape in the past five years the defence of consent was raised. [HL3150]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): Rape prosecutions are a matter for the Crown Prosecution Service. However, this information is not collated centrally as no central record is maintained of defences in these cases.

Debt: Rural Areas

Question

Asked by ***Lord Taylor of Holbeach***

To ask Her Majesty's Government with reference to the Commission for Rural Communities' report Rural Money Matters: a support guide to rural financial inclusion, how the 24 face-to-face debt advisers funded by the Department for Business, Innovation and Skills who work in rural areas divide their time across the country. [HL3050]

The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills (Lord Young of Norwood Green): The advisers are based at specific locations in 22 citizens advice bureaux (CABx) around England, and operate from these locations across more rural parts of various counties. They typically undertake around a third of their work at outreach locations, to help reach the most financially excluded clients. The counties (and the locations in which they are based) are as follows:

No. of Advisers	*Counties*	*Locations they are based*
3	Northumberland	Berwick-upon-Tweed, Morpeth, Hexham
3	Cornwall	Penzance, Redruth, Liseard
2	Devon	Barnstaple
2	Isle of Wight	Isle of Wight
2	Cambridgeshire	Ely, Fenland
2	North Yorkshire	Hambleton, Harrogate
1	Somerset	Mendip
1	Dorset	Weymouth
1	Wiltshire	Trowbridge
1	Norfolk	Diss and Thetford
1	Lincolnshire	Boston, West Lindsey
1	Herefordshire	Hereford
1	Shropshire	Shrewsbury
1	Cumbria	Eden, Windermere
1	County Durham	Barnard Castle
1	East Yorkshire	Goole

In addition, the CABx make available a varied and wide ranging nature of face-to-face advice provision in areas outside their fixed points of contacts so people can get help without the need for them to travel to a main CABx.

Advisers operate on different days between the main office and their outreach locations and also they work across other CABx within the same county and run outreach at local community centres, village halls, GP surgeries, schools, prisons and so on, plus arranging home visits for clients who would have difficulties in accessing a main office or outreach location (for example, people with disabilities).

Democratic Republic of Congo

Questions

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government whether the Minister for Africa, Baroness Kinnock of Holyhead, raised with the Government of the Democratic Republic of Congo during her recent visit the treatment of "shegues" (street children in Kinshasa) who have been sent to Angenga and Buluwo prisons. [HL3107]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): The UK Government are deeply concerned at the problems faced by children in the Democratic Republic of Congo (DRC). We have worked with REJEER, a children's rights non-governmental organisation, to fund a leaflet aimed at children to explain their rights under the 2009 Child Protection Law. We are also funding projects for improving access to primary education through the Department for International Development which will help children.

I did not raise the issue of shegues with the Government of DRC on my recent visit, but we have asked the UN for confirmation of reports that street children are being imprisoned and of the conditions in the prison, which we are waiting to receive.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what representations they have made to (a) the government of the Democratic Republic of Congo, (b) the government of Rwanda, (c) the government of Uganda, (d) donor countries, and (e) representatives of the United Nations on allegations that the National Congress for the Defence of the People have gained further control of Congolese mines. [HL3154]

Baroness Kinnock of Holyhead: The CNDP is no longer active as a militia group. Ex-CNDP elements integrated into the Congolese army (FARDC) are still in control of some mines in the east. I spoke to PM Muzito and reiterated the need to reform the mineral sector when I visited the Democratic Republic of Congo (DRC) in February.

The Government, through DfID, have been working with the international community (World Bank, EC, IMF and UNDP), to increase transparency in the DRC. We are supporting government institutions to develop a more efficient and transparent public financial management system and are working to improve the quality of government audit and budgeting processes.

The UK has not lobbied the Governments of Rwanda and Uganda on the issue of ex-CNDP elements of FARDC controlling Congolese mines.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what representations they have made to (a) the government of Rwanda, and (b) the African Union, and through the European Union and the United Nations, on the extradition of Laurent Nkunda to the Democratic Republic of Congo to face trial for alleged war crimes and crimes against humanity committed in the Kivus. [HL3194]

Baroness Kinnock of Holyhead: We have made no representations to the Governments of Rwanda or the Democratic Republic of Congo (DRC) as to how they should handle this issue, nor have we discussed the case in the fora of the African Union, EU or UN. We understand that detailed bilateral discussions, on a political and legal level, are under way between Rwanda and the Democratic Republic of Congo (DRC) on the case of Laurent Nkunda to establish whether the legal problems in extradition, including the DRC's retention of the death penalty, can be overcome. We will continue to monitor the situation closely.

Disabled People: Mobility Scooters

Questions

Asked by ***Baroness Gardner of Parkes***

To ask Her Majesty's Government what action they have taken to implement the recommendations of Carriage of Mobility Scooters on Public Transport—Feasibility Study, published by the Department for Transport in 2006, to "widen the definition of reference wheelchair to include 'mobility aids'", to issue guidance on which mobility scooters are suitable for use on public transport, and to ensure that operators should be required to transport such scooters. [HL3211]

To ask Her Majesty's Government when guidelines will be made available to all local bus operators regarding the use of wheelchairs and mobility scooters on their services; and how passengers will be made aware of any specifications with which their mobility scooters must comply. [HL3212]

The Secretary of State for Transport (Lord Adonis): The feasibility study identified areas where further work is required in order that firm policy and guidance be formulated. The study suggested that smaller and lighter mobility scooters ("class 2" devices) equipped with dry cell or gel batteries could be safely carried on public transport in the right circumstances. The Department for Transport continues to keep this matter under review.

Guidance for users of public transport services *Get wise to using public transport* has been published by the British Healthcare Trades Association in conjunction with the Department for Transport, and can be found at:

www.dft.gov.uk/transportforyou/access/tipws/getwheelchairwise/getwheelchairwiseawheelchair6l66.

The guidance highlights that it may be possible for class 2 scooters to be carried but that it is a decision for the individual operator as to whether they carry mobility scooters on their services, given that the design of individual buses and levels of occupancy may impinge on what is practicable in different places.

The department has also published guidance about using buses and coaches in the form of frequently asked questions for disabled passengers, which is on the department's website at:

http://www.dft.gov.uk/transportforyou/access/buses/frequentlyaskedquestions?page=2.

Drugs: Heroin

Question

Asked by ***Lord Lea of Crondall***

To ask Her Majesty's Government what assessment they have made of the economic and social effects in Switzerland of making heroin legally available for addicts under medical supervision in the health service; and whether they plan to introduce a similar scheme under the National Health Service. [HL3056]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): An expert group convened by the National Treatment Agency for Substance Misuse to consider the issues in relation to injectable opioid treatment heard evidence from the Swiss experience of supervised consumption of prescribed heroin, presented by one of the Swiss researchers.

The department is providing funding for a randomised injectable opiate treatment trial (RIOTT), in line with the Government's Drug Strategy 2008 commitment to explore pilots of injectable heroin in controlled, clinical settings.

RIOTT is a United Kingdom study exploring the role of prescribed injectable diamorphine (pharmaceutical heroin) and injectable methadone in a number of supervised clinic settings for the treatment of opiate misusers who have not responded to other types of treatment.

Initial results were announced at a conference on 15 September 2009 and formal publication of the results are due to be published in a medical journal shortly.

The department will consider the evaluation of the trial before any future decisions on the issue are taken.

Elections: Armed Forces

Question

Asked by ***Lord Astor of Hever***

To ask Her Majesty's Government how many (a) British Armed Forces personnel, and (b) British Armed Forces personnel deployed to Afghanistan, are registered to vote; and what action they are taking to increase those numbers before the next election. [HL3069]

The Minister for International Defence and Security (Baroness Taylor of Bolton): The latest report of the survey on service voter registration was conducted by Defence Analytical Services and Advice (DASA) in November 2008 and a copy of the survey is available in the Library of the House. The figures from the DASA Service voters survey for 2009 are currently being compiled.

The Armed Forces are currently running an additional information campaign encouraging all service personnel to ensure they have registered to vote. We are targeting units that, in particular are scheduled to deploy to Afghanistan as well as those that will be in Afghanistan during an election period.

Embryology

Questions

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government whether the activities authorised by Human Fertilisation and Embryology Authority research licence R0152 include the use of donor nuclei from diabetic patients; and whether research licence R0152 specifically covers the use of donor nuclei from adults with a serious mitochondrial disease. [HL3059]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): The Human Fertilisation and Embryology Authority (HFEA) has advised that the research licence R0152 includes the derivation of stem cell lines from embryos created by cell nuclear replacement using nuclei taken from a patient with type 1 diabetes. The licence was authorised by the HFEA licence committee, 16 March 2005.

The HFEA has advised that R0152 does not specifically cover the use of donor nuclei from adults with a serious mitochondrial disease.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government why the most recent progress report for Human Fertilisation and Embryology Authority licence R0145 (pertaining to an inspection on 15 May 2008) made no reference to mitochondria; why it stated on page 4 that there were no proposed licence variations; when the lay summary for licence R0145 was revised to "also study the mitochondria"; whether the centre had requested to incorporate any new activities in that licence between 15 May 2008 and 28 September 2009; and how the three lay summaries on the Human Fertilisation and Embryology Authority's website constitutes consolidation of project aims. [HL3062]

Baroness Thornton: The Human Fertilisation and Embryology Authority (HFEA) has advised that a progress report on research project R0145 received from the licensed centre in April 2009 informed the HFEA of a change to the project's objectives: determining how mitochondrial DNA mutations segregate between blastomeres and the derivation of human embryonic stem cell lines from embryos donated by couples in which the female partner carried mitochondrial mutations. The HFEA advises that the updated objectives did not change the licensed activities of the research project, and that the project continued to meet the statutory tests for the grant of a licence.

Following receipt of a renewal application in July 2009, the lay summary for R0145 was revised to reflect the change of objective, by adding the phrase "also study the mitochondria". A consolidated lay summary is on the HFEA website at www. hfea.gov.uk

The centre did not request the incorporation of new activities to licence R0145 between 15 May 2008 and 28 September 2009.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government further to the remarks by the then Minister of State at the Department of Health, Dawn Primarolo, on 22 October 2008 (*Official Report*, Commons, col. 387), which scientific authorities indicated that the nucleus in a cell should be considered to be cytoplasm; how restricting regulating powers to prevent the transmission of serious mitochondrial diseases via the cytoplasm would not necessarily exclude transmission via the cell's nucleus; and whether cloning involves the transfer of a nucleus rather than the cytoplasm. [HL3061]

To ask Her Majesty's Government further to the remarks by the then Minister of State at the Department of Health, Dawn Primarolo, in the Public Bill Committee on the Human Fertilisation and Embryology Bill on 3 June 2008 (col 28), whether it remains their intention to ban any alteration to nuclear DNA being permitted under regulations; whether the Human Fertilisation and Embryology Act 2008 provides a regulation-making power for embryos to be used in treatment if they have been processed in a manner allowing the avoidance of serious mitochondrial diseases; and how the definition of such treatments precludes the transfer of an adult somatic cell nucleus into an enucleated egg. [HL3063]

Baroness Thornton: The remarks made by the then Minister for State on 22 October 2008 (*Official Report*, Commons, col. 387) were a response to an amendment tabled to the Human Fertilisation and Embryology Bill. The proposed amendment was to a provision intended to prevent the transmission of serious mitochondrial diseases. The point being made by the Minister was that the proposed amendment could introduce uncertainty around definitions of cell structures, and could therefore potentially render the provision ineffective. The Minister asked that the amendment be withdrawn, which it was.

The Government, and Parliament, have made it clear that they are not prepared to countenance human reproductive cloning. The Human Fertilisation and Embryology Act 1990 (as amended) does so by prohibiting the placing in a woman of an embryo, egg or sperm that has had its nuclear or mitochondrial DNA altered.

The Human Fertilisation and Embryology Act 1990 (as amended) contains a regulation making power to allow the use of embryos in treatment which have had applied to them a prescribed process designed for the very specific purpose of preventing the transfer of serious mitochondrial disease. It is not clear precisely what that process might be. Before any regulations concerning this were made there would be a full public consultation and debates in both Houses of Parliament.

Energy: Microgeneration

Question

Asked by ***Lord Vinson***

To ask Her Majesty's Government what assessment they have made of the value for money for the public purse of the £8.6 billion estimated cost of the feed-in tariff scheme. [HL3164]

The Minister of State, Department of Energy and Climate Change (Lord Hunt of Kings Heath): The FITs scheme is intended to encourage deployment of additional small-scale, low-carbon electricity generation, particularly by individuals, householders, organisations, businesses and communities who have not traditionally engaged in the electricity market. For these investors, delivering a mechanism which is easier to understand and more predictable than the renewables obligation, as well as delivering additional support required to incentivise smaller scale and more expensive technologies, were the main drivers behind the development of this policy.

The feed-in tariff impact assessment, published on 1 February alongside the Government's response to the summer 2009 consultation, reported on the benefits and value-for-money case for the scheme. The document is available on the DECC website at www.decc.gov.uk/en/content/cms/consultations/elec_financial/elec_financial.aspx.

The estimated resource cost of the policy, cumulative to 2030, is £8.6 billion. Resource costs are the additional costs to society as a whole of the policy—that is to say the additional cost of renewable generation incentivised by FITs relative to conventional generation (assumed to be gas CCGT). Costs to consumers on the other hand are the costs ultimately assumed to be borne by electricity consumers given that FITs will be funded by a levy placed on electricity suppliers. The estimated cost to consumers, cumulative to 2030, is £6.7 billion.

Energy: Wind Turbines

Questions

Asked by ***Lord Bates***

To ask Her Majesty's Government whether Teesside has been listed as a potential location for the Mitsubishi wind turbine investment in the United Kingdom. [HL3119]

The Minister of State, Department of Energy and Climate Change (Lord Hunt of Kings Heath): Decisions on the location of any new facilities are a commercial matter for Mitsubishi.

Asked by ***Lord Bates***

To ask Her Majesty's Government what sites in the United Kingdom they recommended to GE and Siemens as potential locations for wind turbine manufacture. [HL3121]

Lord Hunt of Kings Heath: Decisions on the location of facilities are a commercial matter for the companies concerned.

EU: Border Surveillance

Question

Asked by ***Lord Judd***

To ask Her Majesty's Government whether they support the use of pilotless drones and other unmanned air vehicles for European Union border surveillance; and what is their assessment of any implications for asylum seekers having their applications assessed in Europe. [HL2949]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): The UK has followed the development of unmanned aerial vehicles with interest. We continue to examine their potential for deployment to detect and deter unauthorised crossing of EU land and sea borders. The use of unmanned aerial vehicles for this purpose is being researched by the EU.

Improvements in EU border security are intended to deter illegal migrants from entering the EU, not to prevent genuine asylum seekers from receiving protection. EU member states are signatories of the Geneva Convention relating to the Status of Refugees and the principles of granting protection to those in genuine need are enshrined in EU law.

EU: External Action Service

Question

Asked by ***Lord Hylton***

To ask Her Majesty's Government how the proposed budget of the European External Action Service of €45 billion over seven years will be spent; what will be the heads of expenditure; and whether they have assessed any risk of the new service duplicating the functions of the existing international representatives of the European Commission. [HL3125]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): The budget for the European External Action Service (EEAS), including the heads of expenditure, has not yet been agreed. A Commission proposal on the budget of the EEAS is expected once the Council has adopted the decision establishing the organisation and functioning of the EEAS. The Government consider that the EEAS administration budget should aim to be budget-neutral. In October 2009 the European Council endorsed guidelines stating that "unnecessary duplication of tasks, functions and resources with other structures should be avoided" and that the establishment of the EEAS should be guided by the "principle of cost-efficiency aiming towards budget neutrality". EU delegations have replaced the existing network of Commission delegations around the world with staff from the Council Secretariat and member states incorporated.

EU: Financial Stability

Question

Asked by ***Lord Dykes***

To ask Her Majesty's Government what discussions they will hold with governments of the eurozone member states about financial markets' stability. [HL3017]

The Financial Services Secretary to the Treasury (Lord Myners): The Government hold regular discussions with all member states of the European Union on European economic matters, including the stability of financial markets.

Financial Institutions: Financial Stability

Question

Asked by ***Lord Dykes***

To ask Her Majesty's Government what steps they are taking to ensure that executives of financial institutions take decisions which assist long-term financial stability instead of short-term profit. [HL3015]

The Financial Services Secretary to the Treasury (Lord Myners): The Government have taken measures to ensure factors that contributed to the onset and severity of the financial crisis are not repeated.

Sir David Walker was commissioned to review corporate governance practices in the banking sector and his recommendations will be implemented throughout 2010, while the FSA remuneration code came into force on 1 January 2010 and covers the remuneration paid by large systemic banks operating in the UK. The Financial Services Bill also contains measures intended to strengthen the FSA's hand in its regulatory oversight of remuneration and provide the government with the powers necessary to make requirements for greater disclosure of pay. In addition, the Chancellor announced at Budget that the Government will consider whether institutional shareholder voting disclosure should remain voluntary or become mandatory, and that the Government will also consult on whether there are practical measures to facilitate the consent of owners to executive remuneration arrangements.

Financial Services Authority

Question

Asked by ***Lord Dykes***

To ask Her Majesty's Government what steps they are taking to ensure the Financial Services Authority can appropriately supervise the activities of large financial groups in the stock market. [HL3019]

The Financial Services Secretary to the Treasury (Lord Myners): The Financial Services Authority (FSA) is an independent non-governmental body, given statutory powers by the Financial Services and Markets Act 2000. This statutory independence means that the Government do not have control over the day-to-day running of the organisation.

Following the internal audit report into its supervision of Northern Rock in 2008 the FSA launched the supervisory enhancement programme, fundamentally changing how it delivers supervision.

The FSA completed the supervisory enhancement programme in August 2009 and continues to enhance the processes and people needed to deliver the intensive supervisory approach required for the very largest firms.

The FSA business plan for 2010-11 states that the FSA will appoint around 260 additional staff to work on supervisory processes. These staff will be targeted on specific areas of need, in particular high-impact and systemically important firms. The FSA will also continue to develop and implement its training and competence scheme to improve the quality and consistency of firm supervision.

Fluoridation

Question

Asked by ***Earl Baldwin of Bewdley***

To ask Her Majesty's Government further to the Written Answer by Baroness Thornton on 23 February (*WA 282-3*), (a) why South Central Strategic Health Authority in its 2008 public consultation document on water fluoridation stated that the 2006 osteosarcoma study by Elise Bassin "was part of a larger study [13]", and did not state in the text (4.6) or references section (6.0) that their reference 13 was to a letter and not to a larger study; (b) whether that statement took account of good scientific practice; and (c) why the strategic health authority stated in 4.6 that the West Midlands Cancer Intelligence Unit had completed detailed analyses of bladder cancer and osteosarcoma, when the referenced study [14] had not addressed osteosarcoma. [HL2920]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): I do not consider that the strategic health authority (SHA) has been misleading. The letter cited in the consultation document refers to a larger study in which two sets of cases have been collected over the period 1993-2000. The SHA was seeking to summarise research findings in a format accessible to the public. The reference to the bladder cancer study would have informed readers of the role of the West Midlands Cancer Intelligence Unit from where they could gave obtained the unit's osteosarcoma study to which I referred in my earlier reply.

Asked by ***Earl Baldwin of Bewdley***

To ask Her Majesty's Government further to the Written Answers by Baroness Thornton on 23 February (*WA 282-3*), what further steps will be taken to assess the risks of osteosarcoma in young males who have resided in fluoridated areas, given that the 2006 study by Elise Bassin has not been refuted, and given the difficulty of analyses such as that by the West Midlands Cancer Intelligence Unit in detecting harms among populations; and whether the proposed study by the Bone Cancer Research Trust will address that question. [HL2921]

Baroness Thornton: I can confirm that the Bone Cancer Research Trust will address the question of whether there is an association between the fluoridation of drinking water and osteosarcoma. We will be examining the results of the study closely to see if there is any correlation with Dr Bassin's findings.

Asked by ***Earl Baldwin of Bewdley***

To ask Her Majesty's Government further to the Written Answer by Lord Darzi of Denham on 20 July 2009 (WA 280), what advice if any they

have received about the analysis by Dr Peter Mansfield of unpublished data from the National Diet and Nutrition Survey 2000–2001 suggesting an overconsumption of fluoride among populations receiving fluoridated water. [HL3072]

Baroness Thornton: I have been advised that only a small proportion of the adult population sampled in the National Diet and Nutrition Survey would have exceeded upper limits on fluoride consumption recommended by the European Food Safety Authority and the American Food and Nutrition Board of the Institute of Medicine. Birmingham has been fluoridated since the 1960s and there are areas of the United States of America that have been fluoridated since the late 1940s, but no long-term effects on health have been identified. Some ingested fluoride is taken up in the bones, but the systematic review of water fluoridation conducted by the National Health Service Centre for Reviews and Dissemination of the University of York found no association between water fluoridation and bone fracture.

Government: Law Officers

Question

Asked by ***Lord Lester of Herne Hill***

To ask Her Majesty's Government further to the Written Answers by Baroness Scotland of Asthal on 22 February (*WA 227–28*) and 22 March (*WA 246*), whether Ministers of the Crown are entitled to seek to influence the advice given by or conduct of Law Officers of the Crown on matters of law or the public interest. [HL3100]

The Attorney-General (Baroness Scotland of Asthal): The form and content of advice given by the Law Officers is a matter for the Law Officers to decide.

Government: Ministerial Visits

Questions

Asked by ***Lord Laird***

To ask Her Majesty's Government further to the Written Answer by Baroness Royall of Blaisdon on 16 March (*WA 163*), whether they will set out the visits by the Secretary of State for Northern Ireland to the United States since 1 January in advance of the annual publication of foreign visits by Cabinet Ministers by the Cabinet Office. [HL2981]

Baroness Royall of Blaisdon: The list of overseas travel by Ministers for 2009-10 will be published by the Cabinet Office as soon as possible after the end of the financial year.

Asked by ***Lord Maginnis of Drumglass***

To ask Her Majesty's Government how many times during the past four years (a) the Prime Minister, (b) the Foreign Secretary, and (c) other ministers, met (1) the President, the Prime Minister or others ministers from the Republic of Cyprus, and (2) the President, the Prime Minister or other ministers from the Turkish Republic of Northern Cyprus; and to what extent the frequency of those meetings reflects their support for both communities in Cyprus. [HL3095]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): It would exceed the disproportionate cost threshold to establish exactly how many meetings had taken place over the last four years. However, the Government maintain frequent dialogue at ministerial level with the Republic of Cyprus both bilaterally and in multilateral fora such as EU meetings. The Government hold meetings with Mr Talat as the leader of the Turkish Cypriot community, in relation to the Cyprus problem. Most recently, my right honourable friend the Prime Minister met both leaders during their separate visits to London late last year, while my honourable friend the Minister for Europe met both leaders during his visit to the island in November 2009. The Government's continued engagement with all parties involved in the settlement process, including Greece and Turkey, reflects the UK's commitment to supporting a comprehensive settlement in Cyprus.

Haiti: Reconstruction

Questions

Asked by ***Lord Judd***

To ask Her Majesty's Government what progress has been made in the reconstruction of Haiti; and what contribution they are making towards it. [HL2950]

Lord Brett: International agencies in Haiti continue to provide humanitarian relief. The UK has significantly supported this, including by sending a UK search and rescue team and a Royal Fleet Auxiliary ship, which has delivered equipment, vehicles and other food and non-food items. The UK has provided £20 million for humanitarian support and a UK team remains in Port-au-Prince to oversee delivery of this aid, which has already helped to support more than 380,000 people.

In anticipation of the reconstruction of Haiti, the UK: provided a humanitarian expert for the team that has produced a draft post-disaster needs assessment; has earmarked a further £2 million for future disaster risk reduction interventions; and, through the Stabilisation Unit, is assisting the Haitian Ministry of Justice to reconstruct three prisons. Several multilateral organisations have already announced support to Haiti's reconstruction. This includes €200 million from the European Commission, $100 million from the World Bank and $120 million from the Inter-American Development Bank. The UK's share of the reconstruction funding announced by these organisations amounts to approximately $50 million.

Asked by ***Lord Judd***

To ask Her Majesty's Government what arrangements are in place for co-ordinating international assistance in the regeneration of Haiti; and what is the role of the United Nations and non-governmental organisations in that. [HL2952]

Lord Brett: The Government of Haiti will lead the co-ordination of international assistance for reconstruction after the earthquake. We expect the Government to be supported in this co-ordination effort by the UN, the World Bank and the Inter-American Development Bank. Other donors, agencies and NGOs will contribute to reconstruction under the co-ordination of the Government. The reconstruction conference on 31 March is expected to set out how this co-ordination will be organised.

Health: Cancer

Question

Asked by ***Lord Taylor of Warwick***

To ask Her Majesty's Government what plans they have to improve the intra-operative radiation therapy services available to those diagnosed with breast cancer. [HL3201]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): We are currently funding a trial to compare targeted intra-operative radiotherapy with conventional post-operative radiotherapy for women with early breast cancer through the National Institute for Health Research.

The TARGIT trial, as it is known, began on 1 September 2009 and is due for completion on 29 February 2012.

Health: Contaminated Blood Products

Questions

Asked by ***The Countess of Mar***

To ask Her Majesty's Government how many cases of transfusion transmitted infections have been reported in each year since the inception of the United Kingdom Serious Hazards of Transfusion (SHOT) haemovigilance programme in 2006; what were the infectious organisms; and how many fatalities have occurred. [HL3085]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): Reports of suspected transfusion transmitted infections are made to both the NHS Blood and Transplant (NHSBT)/ Health Protection Agency (HPA) Epidemiology Unit and to the Serious Hazards of Transfusion (SHOT) scheme. Data are collated by the NHSBT/HPA Epidemiology Unit.

The following table shows all transfusion transmitted infections reported to either or both schemes between October 1996 (the inception of the SHOT scheme) and December 2009. Data to 2008 are also available in the SHOT Report 2008, published at www.shotuk.org.

The SHOT Report for 2009 will be published in July 2010.

Number of transfusion transmitted infections reported to the NHSBT/HPA Epidemiology Unit and/or SHOT, by year of report and infection, October 1996 to December 2009. The total number of infected recipients is shown, with the number of those recipients having died shown in brackets.

Infection	*1996-97*	*1997-98*	*1998-99*	*1999-2000*	*2000-01*	*2001-02*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*Total*
Bacteria	3	1(1)	6(2)	5(2)	4(1)	5	3(1)		2	2(1)	3	6(2)	3(1)	43(11)
Hepatitis A	1						1		1					3
Hepatitis B	1	2	2	2	1		2		1					11
Hepatitis C	1		1											2
Hepatitis E								1						1
HIV[1]	3						1							4
HTLV[2]					1	1								2
Malaria	1 (1)						1							1(1)
Prion[3]								1						1
vCJD							1(1)		1(1)	1(1)				3(3)
Total	10 (1)	3(1)	9(2)	7(2)	6(1)	6	9(2)	2	5(1)	3(2)	3	6(2)	3(1)	72(15)

Notes:

[1] Human immunodeficiency virus

[2] Human T-lymphotropic virus

[3] Evidence of prion infection found at autopsy, death was from an unrelated cause.

Asked by ***The Countess of Mar***

To ask Her Majesty's Government what measures they have taken to prevent transfusion-transmitted infections; and what consideration is given to emerging pathogens and those whose range will be extended by climate change. [HL3086]

Baroness Thornton: All blood establishments must comply with the Blood Safety and Quality Regulations (2005), as amended. The principal measure to protect patients against transfusion-transmitted infections is the careful selection of blood donors, supplemented by methods to reduce the risk of bacterial contamination during the collection of blood, and specific testing for evidence of infections which can be transmitted by blood.

The UK blood services are advised on the risks to the United Kingdom blood supply from outbreaks of infection and emerging infections both within and outside the UK by a specialist committee, the Standing Advisory Committee on Transfusion Transmitted Infection (SACTTI). SACTTI has well established national and international links with other blood services and with communicable disease organisations such as the Health Protection Agency.

A list of general blood safety measures can be found on the website for the Joint Professional Advisory Committee to the United Kingdom Blood Transfusion Services at www.transfusionguidelines.org.uk/index.aspx?Publication=DL&Section=12&pageid=389.

Asked by ***Lord Morris of Manchester***

To ask Her Majesty's Government whether they will place in the Library of the House copies of the Department of Health memoranda from 1985 about patients with haemophilia who contracted HIV and hepatitis C from blood transfusions, as reported in the *Guardian* on 23 March. [HL3098]

Baroness Thornton: The three documents quoted in the *Guardian* article of 23 March 2010 are publicly available on the Department's website at:

www.dh.gov.uk/en/Freedomofinformation/Freedomofinformationpublicationschemefeedback/FOIreleases/DH_076693

They can be found in the file marked "Vol.79 June 1978—February 1996". The department is committed to releasing all relevant documents held from the period 1970 to 1985. Over 5,500 documents have been placed on the department's website since 2006.

Health: Diabetes

Questions

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government what assessment they have made of how many (a) adults, and (b) children, in the United Kingdom have type 1 diabetes. [HL2884]

To ask Her Majesty's Government what assessment they have made of the number of people in England who are diagnosed with type 1 diabetes each year compared with (a) Scotland, and (b) Wales. [HL2885]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): We have not undertaken a formal assessment of the number of adults and children diagnosed with type 1 diabetes. Data from the quality and outcomes framework (QOF) show that that number of people with diabetes has increased annually. However, it is not possible from the QOF data to differentiate between people with type 1 or type 2 diabetes.

QOF—Number of patients with a recorded diagnosis of diabetes

2004-05	*2005-06*	*2006-07*	*2007-08*	*2008-09*
1,766,391	1,890,663	1,961,976	2,088,335	2,213,138

The diabetes register only includes patients aged 17 years and over, as the care of children with diabetes is generally under the control of specialists. Data from *Growing Up with Diabetes: Children and Young People with Diabetes in England* reported that in February 2009 there were 22,947 children and young people with diabetes. Of this number, 20,488 were classified as having type 1 diabetes.

Without exact data on the number of people with type 1 diabetes, we are not able to make direct comparisons with other countries.

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government what assessment they have made of the cost to the National Health Service of treating type 1 diabetes and its effects. [HL2886]

To ask Her Majesty's Government what is their estimate of the lifetime cost of medical treatment for a patient with type 1 diabetes. [HL2887]

Baroness Thornton: We have not undertaken either a formal assessment of the costs of treating people with type 1 diabetes, or estimated the lifetime costs of treating a person with type 1 diabetes.

Diabetes is a complex lifelong condition that can affect every part of the body, and there are a number of associated complications with the condition; this makes it difficult to calculate the exact cost to the National Health Service.

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government how many people with type 1 diabetes who use insulin pump therapy are offered access to a dose adjustment for normal eating (DAFNE) course or an equivalent course. [HL2931]

Baroness Thornton: There are no data held centrally about how many people with type 1 diabetes who use an insulin pump have attended a dose adjustment for normal eating (DAFNE) course or such equivalent.

Patient education is an essential part of diabetes care and many diabetes services commission or run courses to educate patients about type 1 diabetes.

The DAFNE course is designed to educate patients (usually over the age of 17) with type 1 diabetes to help them manage their multi-injection therapy, the most common treatment for type 1 diabetes. The DAFNE course is not designed specifically for people with insulin pumps. However, centres that provide DAFNE would advise that all potential pump users attend a DAFNE course before commencing pump therapy.

Asked by ***Lord Harrison***

To ask Her Majesty's Government how many working days have been lost due to diabetes and its effects in each of the past five years. [HL3020]

Baroness Thornton: There are no data collected centrally about how many working days have been lost due to diabetes and its effects in each of the past five years.

Asked by ***Lord Harrison***

To ask Her Majesty's Government what estimate they have made of the cost of diabetes and its effects. [HL3021]

Baroness Thornton: Diabetes is a complex life-long condition that can affect every part of the body. There are a number of associated complications with the condition which makes it difficult to calculate the exact total cost to the National Health Service.

The department's programme budget figures indicate £1.26 billion of departmental gross expenditure in England in 2008-09 was spent on diabetes. This figure does not include spending on prevention or on general medical services or primary medical services.

£000s

	Diabetes expenditure	*DH gross expenditure*	*Diabetes as a proportion of gross expenditure*
2004-05	687,402	71,922,179	1.0%
2005-06	866,000	80,185,241	1.1%
2006-07	1,043,021	84,193,209	1.2%
2007-08	1,151,183	93,183,426	1.2%
2008-09	1,262,066	96,814,987	1.3%

In England in 2008, according to the NHS Business Services Authority, about £595 million for diabetes-related items was spent on prescriptions dispensed in the community; ie by community pharmacists and appliance contractors, dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered. Also included are prescriptions written in Wales, Scotland, Northern Ireland and the Isle of Man but dispensed in England.

Drug group	*NIC(£000s)*
Insulins	285,764.0
Antidiabetic drugs	165,323.6
Treatment of hypoglycaemia	3,092.1
Diagnostic and monitoring agents	139,147.6
Total	593,327.3

(Net Ingredient Cost (NIC)

NIC is the basic cost of a drug. It does not take account of discounts, dispensing costs, fees or prescription charges income).

Further expenditure will have taken place throughout the NHS system that is not possible to identify. Diabetes UK estimates spending in the United Kingdom is approximately £9 billion across the NHS.

Asked by ***Lord Harrison***

To ask Her Majesty's Government whether they have undertaken a cost-benefit analysis of the effects of the qualifying age range of 40 to 74 for the NHS Vascular Risk Assessment programme on the level of risk of diabetes of (a) persons over 25, and (b) black, Asian and minority ethnic persons over 25. [HL3022]

Baroness Thornton: The National Health Service Health Check programme (formerly vascular checks) is a universal and systematic programme for everyone between the ages of 40 and 74 that will assess an individual's risk of heart disease, stroke, kidney disease and diabetes and will support people to reduce or manage that risk through individually tailored advice. The programme was developed on the basis of advice from the National Screening Committee. It advised that, on current evidence, there was not a case for whole population screening for diabetes. However, there was a good case for targeted screening for diabetes in the wider context of cardiovascular risk assessment.

The department undertook modelling on a vascular risk assessment and management programme, which included diabetes to establish whether such an approach would be cost and clinically effective as well as identifying the optimal starting age. Both the technical consultation on the modelling and the impact assessment are available in the House of Lords Library. Three different starting ages for the programme (40, 45 and 50) were modelled. The age range of 40 to 74 for everyone was found to be both clinically and cost effective.

In taking the decision about the age range with which to launch the programme, the department took further advice from the National Screening Committee and leading United Kingdom diabetologists. Their view was that, given the current state of knowledge, age 40 represented a good starting point for combined diabetes, cardio-vascular and kidney disease risk assessment. The content and age parameters of the programme will be kept under review.

We understand that some primary care trusts maybe inviting people into the programme who are under 40 years of age, for example, in areas that have significant South Asian communities who are generally at higher risk of vascular disease including diabetes. However, this scenario was not tested through the modelling, and so we have no evidence of its clinical or cost effectiveness.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government whether insulin-dependent diabetes has been successfully treated in any species by nuclear transfer; and, if so, how. [HL3060]

Baroness Thornton: The Government are not aware of insulin-dependent (or type 1) diabetes having been successfully treated in any species by nuclear transfer. This Government will continue to support all types of stem cell research to maximise the possibility of developing new treatments for unmet medical needs, such as type 1 diabetes.

Asked by ***Lord Harrison***

To ask Her Majesty's Government what assessment they have made of the treatment of diabetes with the drug Avandia. [HL3079]

Baroness Thornton: The Government have made no such assessment. The independent National Institute for Health and Clinical Excellence (NICE) has made a number of recommendations about the use of thiazolidinediones, which include rosiglitazone (Avandia), in its clinical guideline on newer agents for type 2 diabetes published in May 2009. Further information can be found on NICE's website at http://guidance.nice.org.uk/CG87

Health: Doctors

Questions

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what discussions they have had with interested parties, such as the British Medical Association and employers, to resolve gaps in junior doctor rotas. [HL2893]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): It is for strategic health authorities (SHAs) and National Health Service trusts to ensure that they resolve any gaps in their service delivery to ensure patient safety. It has been agreed that future monitoring will be managed at SHA and trust level.

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what action they are taking regarding junior doctor training within the scope of the European working time directive. [HL2894]

Baroness Thornton: There is a review under way, which is looking at the impact of the European working time directive on junior doctors' training in the reduced hours environment. This is independently headed by Professor Sir John Temple, on behalf of Medical Education England.

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what research they have undertaken to ascertain the effect of gaps in junior and middle-grade doctor rotas on patient safety. [HL2895]

Baroness Thornton: Quality assurance of middle and junior rota gaps began in March 2009 and continued until July 2009.

Trusts were asked to report via the strategic health authorities (SHAs) on potential service risks around the August 2009 medical change over dates.

The trusts were asked to report on the impact of the European working time directive, as well as any shortfall in specialty recruitment and shortages of medical locums. A risk rating for each trust was provided along with mitigating actions.

Daily situation reporting arrangements were set up to cover the first two weeks of August 2009.

From August 2009, only those rotas experiencing compliance difficulties were monitored.

The return in January 2010 reported a continual improvement in the compliance position and a steady reduction of the number of rotas reporting difficulties.

SHAs and trusts will manage any future monitoring.

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what assessment they have made of the opportunities for use of simulation in junior doctor training. [HL2896]

Baroness Thornton: The use of simulation-based training is already well established for junior doctors. We encourage the appropriate use of modern education techniques including simulation-based clinical training for all clinical staff to improve training and patient outcomes.

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what discussions they have had on alterations to junior doctor training following the implementation of the European working time directive in August 2009. [HL2897]

Baroness Thornton: Professor Sir John Temple is leading an independent review on the impact of the European working time directive on junior doctors' training in the reduced hour environment, on behalf of Medical Education England.

This comprehensive review is taking account of evidence from a wide range of stakeholders including junior doctors.

Health: Republic of Ireland

Question

Asked by ***Lord Laird***

To ask Her Majesty's Government further to the Written Answer by Baroness Thornton on 17 March (*WA 189*), whether they will place in the Library of the House the exchange of letters between the United Kingdom and Ireland on the payment of €100 million healthcare costs for 2003–06, and on the settlement for 2007–09. [HL2993]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): Correspondence between the department and the Irish Government on this matter has been provided on a confidential basis. Therefore, to publish it would be a breach of confidence and would be prejudicial to international relations with the Irish Government. For these reasons, the exchange of letters will not be placed in the Library.

Health: Tuberculosis

Question

Asked by ***Baroness Tonge***

To ask Her Majesty's Government what provision is made for the diagnosis and treatment of tuberculosis, including drug-resistant tuberculosis, amongst failed asylum seekers and those in detention centres. [HL3103]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): The diagnosis and treatment of tuberculosis (TB) is free to all people, including failed asylum seekers and those in detention centres.

The healthcare in immigration removal centres operates to a standard which is equivalent to that found in the community.

Detainees who have possible TB symptoms are investigated in line with standard NHS procedures, and treatment delivered is in line with the NHS clinical protocols, including for multi-drug resistant TB.

All detainees are seen by a nurse within two hours of arrival for health screening and are given an appointment to see a general practitioner (GP) within 24 hours. Where there are concerns, an appointment is made earlier. There after, detainees can access healthcare on demand subject to a triage service similar to that found in a GP's surgery.

Detainees who require secondary treatment are referred to the local primary care trust in the community.

House of Lords: Members

Question

Asked by ***Lord Morris of Aberavon***

To ask Her Majesty's Government following proposals to reduce the number of members of the House of Lords, whether the Prime Minister will desist from nominating more Peers, except those formerly holding certain senior offices such as Head of the Civil Service and Chief of the Defence Staff. [HL3153]

The Chancellor of the Duchy of Lancaster (Baroness Royall of Blaisdon): The position on the creation of new peerages remains as currently provided for until such time as Parliament decides differently.

House of Lords: Members' Broadband Useage

Question

Asked by ***Earl Attlee***

To ask the Chairman of Committees what broadband connectivity performance Peers are provided with during working hours; when that was last independently audited; and what was the outcome. [HL3094]

The Chairman of Committees (Lord Brabazon of Tara): For access to the internet off the Parliamentary Estate, PICT currently provides broadband connectivity through a contract with Demon which uses BT to provide the connection lines to the BT exchange, with an average speed ranging from 2 to 8 Mb. The actual speed of the line for each user is dependent on the level of modernisation at the local BT exchange to which each user's service is attached, and also on the distance of the user from the BT exchange. PICT provides services across the United Kingdom and does not measure the capacity at each BT exchange used to connect its customers to broadband.

For access to the internet on the Parliamentary Estate, on the parliamentary network, the lines have a maximum speed of 100Mb per second.

Immigration

Question

Asked by ***Lord Marlesford***

To ask Her Majesty's Government how many travellers arriving in the United Kingdom in each of the last 12 months have been refused entry at the border; and how many of those have claimed asylum. [HL2957]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): Our records show almost 22,000 incidents of persons being refused entry to the UK at the border between 1 March 2009 and 28 February 2010. Of these, 425 claimed asylum. This is in addition to 29,000 incidents of persons who attempted to enter the UK illegally but were thwarted by officers at juxtaposed controls.

The monthly breakdown is as follows*:

Month	*Total number of refusals at UK border*	*Number of which claimed asylum*
March 09	1,877	37
April 09	1,750	30
May 09	1,993	34
June 09	1,891	40
July 09	1,902	29
August 09	1,924	37
September 09	1,917	44
October 09	1,864	35
November 09	1,619	51
December 09	1,869	45
January 10	1,697	24
February 10	1,696	19
Total	21,999	425

* Data are management information and are from a live database. They have not been subject to the detailed checks required for National Statistics.

India: Dalits and Adivasis

Question

Asked by ***Baroness Northover***

To ask Her Majesty's Government what assessment they have made of the attainment of the millennium development goals among Dalits and Adivasis in India. [HL3040]

Lord Brett: The Department for International Development (DfID) has not carried out an assessment of the attainment of the millennium development goals (MDGs) among Dalits and Adivasis in India. However, DfID recognises that tackling social exclusion is critical to achieving the MDGs in India. All our programmes there have a clear focus on supporting marginalised groups such as Dalits, Adivasis and Muslims, to gain greater access to development and economic

opportunities. In addition, DfID supports specific programmes that help marginalised groups to access their rights. We gather data disaggregated by social group to track our progress.

Evidence shows that our approach is making an impact: DfID support to the Government of India's Education for All programme has helped to increase the number of Dalit children in the school population. The proportion of Dalits amongst school children now exceeds their share in the overall population.

India: Orissa

Question

Asked by ***Baroness Northover***

To ask Her Majesty's Government what assessment they have made of the success of the Department for International Development's programmes in Orissa state, India. [HL3039]

Lord Brett: The Department for International Development (DfID) evaluates the impact of all its programmes on a continuous basis. To date, our programme in Orissa has had some notable successes, including:

supporting an additional 275,000 children from tribal districts to complete primary education;

enabling 360,000 people to move out of poverty through improved watershed management;

reducing the prices of essential drugs by 25 per cent through improved procurement practices; and

supporting reform of the commercial tax system, leading to 20 per cent year on year increases in tax collection since 2004-05.

Israeli Embassy: Demonstrations

Questions

Asked by ***Lord Ahmed***

To ask Her Majesty's Government how many individuals have been charged, convicted and imprisoned following arrest in the January 2009 demonstrations outside the Israeli embassy. [HL3115]

To ask Her Majesty's Government how many individuals who were arrested in the January 2009 demonstrations outside the Israeli embassy are Muslim. [HL3116]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): The Crown Prosecution Service has informed me that a total of 75 people were charged with criminal offences arising out of the protests. Some 41 of those have pleaded guilty and been sentenced, of whom 22 have received custodial sentences by the Crown Court. Six further defendants have pleaded guilty and await sentence. Nine individuals have pleaded not guilty and await trial.

Information about how many individuals arrested are Muslim is not held.

Local Authorities: Funding

Question

Asked by ***Lord Oakeshott of Seagrove Bay***

To ask Her Majesty's Government what is their most recent estimate of the cost to central Government of providing every council with top-up funding to mitigate for council taxpayers the effect of an expected rise of 2.5 per cent starting in 2011–12. [HL2266]

The Financial Services Secretary to the Treasury (Lord Myners): It is estimated that it would cost £675 million in 2011-12 and £1,380 million from 2012-13 onwards for central Government to reimburse local authorities in England for the income forgone by not increasing their band D council tax by 2.5 per cent in each year.

Levels of council tax are determined annually by local authorities, not by the Government. Therefore, the council tax figures for 2010-11 used to support this costing are based on the arithmetic average of council tax increases over the past three years. These figures cover all authorities, police authorities and fire and rescue authorities in England. Responsibility for council tax and other local authority matters in Scotland and Wales rests with the Scottish Executive and the Welsh Assembly Government. The above calculation assumes that all authorities are compensated for lost revenue if freezing their council tax in 2011-12 and 2012-13, after taking into any council tax base increases into consideration.

Moldova

Question

Asked by ***Lord Roper***

To ask Her Majesty's Government why the scrutiny reserve resolution was overridden on the proposed Council Decision extending restrictive measures against the leadership of the Transnistrian region of the Republic of Moldova; and what steps they are taking to avoid a repeat of those circumstances. [HL3186]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): The sanctions measures against the leadership of the Transnistrian region of the Republic of Moldova were due to expire on 27 February 2010. If the new Council decision was not adopted before then, the existing measures would have lapsed. The override arose due to an error by Foreign and Commonwealth Office officials who were unclear when the Scrutiny Committees would sit after the Recess in February.

The FCO takes its scrutiny commitments very seriously. It does everything it can to avoid an override and to keep the Scrutiny Committees informed on sanctions matters. The relevant teams within the FCO are therefore discussing what steps to take to prevent this error occurring again.

Montserrat

Question

Asked by ***Lord Jones of Cheltenham***

To ask Her Majesty's Government what assessment they have made of the risk to British citizens in Montserrat caused by the partial collapse of the dome and subsequent volcanic activity of the Soufrière Hills volcano; and what emergency contingency plans are in place. [HL3168]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): The Soufrière Hills volcano is monitored continuously at the Montserrat Volcano Observatory (MVO), which is permanently staffed by professional volcanologists. The MVO regularly assesses the hazard and risk posed by the volcano to the community of Montserrat. The director of the MVO provides advice to the Governor and the Government of Montserrat on the volcanic activity and decisions on appropriate responses are taken. The safety of the community is the top priority.

The current increased activity and accelerated dome growth began on 4 October 2009. This resulted in major pyroclastic events before Christmas 2009, which forced the night-time evacuation to the north of the island of those residents living in the zones closer to the volcano. Further large pyroclastic events followed on 8 January, 5 February and 11 February. Since the last event, volcanic activity has returned to relatively low levels. The evacuation order remained in place until 23 February 2010, when residents were allowed to return to their homes full time. The current Montserrat hazard level rating is 3, on a 1 to 5 scale where 1 is the lowest and 5 is the highest.

With support from the Department for International Development (DfID), Montserrat's National Disaster Response Advisory Committee, chaired jointly by the Governor and the Chief Minister, has commissioned an assessment of the pyroclastic flow and surge models in the occupied zones closest to the volcano to review current risk and hazard levels.

In addition, a disaster management capability review of Montserrat was carried out by Foreign and Commonwealth Office and DfID officials in November 2009, which examined Montserrat's state of preparedness and its plans for all disasters, including volcanic eruptions and hurricanes.

Nuclear-powered Submarines

Question

Asked by ***Lord Ramsbotham***

To ask Her Majesty's Government whether the intended stationing of a tender for nuclear-powered submarines in the British Indian Ocean Territory will involve the USS "Emory S. Land"; and, if so, whether they will examine the stationing of the vessel at the US naval base at La Maddalena/Sardinia in 2007 and the circumstances of its withdrawal and the closing down of that base. [HL1994]

The Minister for International Defence and Security (Baroness Taylor of Bolton): The UK and US are currently discussing the proposed stationing of the US submarine tender "Emory S. Land" to the British Indian Ocean Territory.

Organophosphates

Question

Asked by ***The Countess of Mar***

To ask Her Majesty's Government what assessment they have made of the effects exposure to organophosphates have upon mitochondrial function, in particular, to adenosine diphosphate to adenosine triphosphate re-conversion. [HL3087]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): The Health Protection Agency advises that no specific evaluation has been made. However, potential toxicological effects due to disruption of mitochondrial function would be identified from the standard package of toxicological tests required for the active ingredients of pesticides, including organophosphates.

Pensions

Question

Asked by ***Lord Laird***

To ask Her Majesty's Government what were the (a) payments to members, (b) employee contributions, and (c) employer contributions, of the 10 largest public sector pension schemes in the past three years. [HL2871]

The Financial Services Secretary to the Treasury (Lord Myners): Detailed information and data for individual public service pension schemes are available from the relevant government department. The 10 largest schemes, with published information sources where available, are as follows:

NHS England and Wales, Teachers England and Wales, Principal Civil Service and Armed Forces Pension Schemes—resource accounts are laid before Parliament annually and copies are placed in the House Library;

Local Government Pension Scheme England and Wales—administered locally but annual statistical releases are provided by the Department for Communities and Local Government;

Police England and Firefighters England Pension Schemes—administered locally and information is provided on request by the Home Office and Department for Communities and Local Government; and

the Scottish Teachers Superannuation Scheme, NHS Scotland and Local Government Scotland Pension Schemes—annual accounts are presented to the Scottish Executive.

Police: Protests

Question

Asked by ***Lord Hylton***

To ask Her Majesty's Government how many persons were arrested in 2009 in Greater Manchester following demonstrations against Israel's military action in Gaza; how many of them were charged; how many convictions there have been since then; what sentences were imposed; and how many trials are pending. [HL2816]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): This information is not held centrally.

Prisoners: Voting

Question

Asked by ***Lord Lester of Herne Hill***

To ask Her Majesty's Government what is their response to the recommendations of the Electoral Commission on 29 September 2009 in response to the Ministry of Justice's *Voting Rights of Convicted Prisoners Detained within the United Kingdom: Second stage consultation* as regards the implementation of the judgment of the European Court of Human Rights in Hirst v United Kingdom. [HL3188]

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Bach): The Electoral Commission's response to the Government's second stage consultation on prisoners' voting rights confirmed that it did not take a view on which prisoners should or should not be able to vote. The Electoral Commission broadly supported the Government's proposed approach to the administration of a system of registration and voting for prisoners, but also made additional recommendations. The commission acknowledged that the current legislative framework around voting would need to be changed to implement support prisoner voting.

The commission's response is being considered alongside the other responses to the second consultation on prisoner voting rights.

Rwanda

Questions

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what representations they have made directly or through the Commonwealth to the Government of Rwanda about the treatment of the political opposition there; and whether they will encourage the Government of Rwanda to fulfil their international obligations by holding free and fair elections. [HL3108]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): In our dialogue with the Government of Rwanda, we have continuously reiterated to them the importance of holding credible elections this year. Most recently, I raised this with Rwandan Foreign Minister Louise Mushikiwabo. I underlined the importance of improving political space for the opposition and media.

In addition, our High Commissioner in Kigali has discussed the registration and operation of new political parties and issues surrounding political space with the relevant Ministers in the Rwandan Government. We have lobbied for both an EU and a Commonwealth election monitoring mission to be deployed to the elections this year, and welcome the Commonwealth's decision to send a mission. Furthermore, we have encouraged the implementation of the recommendations of the EU monitoring mission report on the 2008 elections. We also continue to engage with the Rwandan National Election Commission (NEC) over the practicalities of the forthcoming August 2010 Presidential elections. Along with other donors, the UK has provided budget support for the NEC, including for the elections budget for 2010.

We remain in regular contact with political parties in Rwanda, including opposition parties currently seeking registration.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what is their assessment of recent grenade attacks in Rwanda. [HL3155]

Baroness Kinnock of Holyhead: We have received reports of grenade attacks in central Kigali on 19 February and 4 March. According to the Rwandan National Police, total casualties were two killed and 49 injured. There have been no claims of responsibility and the identity of those responsible has yet to be established. Security has been heightened in Kigali. The Foreign and Commonwealth Office travel advice has been amended and we continue to monitor the situation closely.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what assistance they are giving to the independent electoral commission in Rwanda; what is their assessment of the prospects of a free, fair and democratic presidential election in Rwanda this year; which organisations from the United Kingdom have been invited to monitor elections in Rwanda; and whether they will assist in the recruitment of election observers. [HL3159]

Baroness Kinnock of Holyhead: The UK is working closely with the Rwandan National Electoral Commission (NEC) to monitor preparations for the 2010 presidential elections. We have encouraged the NEC to implement the recommendations of the 2003 and 2008 EU election observation missions, to ensure that the 2010 elections comply with international norms. The Department for International Development is providing the NEC with £3 million assistance in support of its strategic plan for 2008-12. The Government of Rwanda have invited international election observers, including from the Commonwealth, the EU and the African Union. During his visit to Rwanda in January 2010, the Commonwealth Secretary-General indicated that the Commonwealth plan to send a monitoring team.

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government what recent discussions they have had with the government of Rwanda about beginning a dialogue with Rwandan Hutus living in eastern Congo. [HL3193]

Baroness Kinnock of Holyhead: I raised reconciliation issues with the Rwandan Foreign Minister during her recent visit to London. We are supportive of the work of the Rwandan Demobilisation and Reintegration Commission in returning to Rwanda former combatants from the eastern Congo region. We also remain supportive of the role of the UN High Commission for Refugees in returning to Rwanda civilian refugees in the eastern Congo. The aim of both of these programmes is the reintegration of these groups into Rwandan society. We further continue to support the efforts of the UN force in the Congo (MONUC) in persuading Rwandan Hutu rebels in the Congo to disarm, demobilise and repatriate to Rwanda in accordance with the provisions of UN Security Council Resolution 1804.

Schools: Church Schools

Question

Asked by ***Lord Glenarthur***

To ask Her Majesty's Government what is their assessment of the role of Church of England schools in improving interracial stability and the integration of young people. [HL3139]

The Parliamentary Under-Secretary of State, Department for Children, Schools and Families (Baroness Morgan of Drefelin): No assessment has been made of the role of Church of England schools in improving interracial stability and integration of young people.

However, all maintained schools in England, including schools with a religious character, have a duty to promote community cohesion, which is about building an appreciation of diversity, a sense of belonging and a common vision among all pupils regardless of their background.

Ofsted inspects schools to ensure compliance with this duty. HMCI's annual report 2008-09, published in November 2009, showed that of the primary schools inspected, 68 per cent are good or outstanding in meeting their duty to promote community cohesion, while the figures for secondary and special schools are 72 per cent and 84 per cent respectively.

Smoking

Questions

Asked by ***Lord Laird***

To ask Her Majesty's Government whether they propose to make smoking in cars which contain children an offence. [HL3128]

To ask Her Majesty's Government what proposals they have to reduce the impact of passive smoking on children. [HL3129]

The Parliamentary Under-Secretary of State, Department of Health (Baroness Thornton): We strongly urge people to stop smoking in cars, especially those used to transport children. We have no plans to legislate on this at present but we are committed to reviewing the smoke-free law later this year. As part of that review we will take into consideration the recommendations on ending smoking in cars which were included in the report *Passive Smoking and Children* published by the Tobacco Advisory Group of the Royal College of Physicians on 24 March.

As set out in *A Smokefree Future*, a copy of which has been placed in the Library, we will continue to raise awareness about the harms of secondhand smoke. We will continue to support people to make their homes and their cars smoke free. We will focus our efforts on communities with the highest smoking rates so as to have the greatest impact on children's exposure to secondhand smoke.

Taxation: Double Taxation

Question

Asked by ***Lord Williams of Elvel***

To ask Her Majesty's Government whether they intend clause 59 of the Constitutional Reform and Governance Bill to override existing double taxation agreements in respect of Members of Parliament and members of the House of Lords. [HL3199]

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Bach): Where a Peer or MP has income, gains or assets from a state which has a double taxation agreement with the UK, they will be taxed in accordance with that double taxation agreement. The effect of the provisions in Part 6 of the Constitutional Reform and Governance Bill will be that MPs and the Lords Temporal are to be treated like the vast majority of people in the UK who are resident, ordinarily resident and domiciled in the UK for tax purposes. As such they will be subject to double taxation agreements in the same way as the majority of people in the UK.

Taxation: House Credit

Question

Asked by ***Lord Elton***

To ask Her Majesty's Government whether they will introduce a tax regime for the house credit market in which interest charged at rates of 100 per cent or above is liable to tax at 100 per cent or above. [HL2837]

The Financial Services Secretary to the Treasury (Lord Myners): The Office of Fair Trading (OFT) is reviewing the high-cost credit market, and potential measures to improve its regulation, including caps on interest rates. The Government will respond to the OFT's recommendations when the results of this review are published.

Taxation: Information Exchange Agreements

Question

Asked by ***Lord Trefgarne***

To ask Her Majesty's Government with which countries they have tax information exchange agreements other than those announced by the Chancellor of the Exchequer in his recent Budget speech. [HL3198]

The Financial Services Secretary to the Treasury (Lord Myners): The countries and territories with which the United Kingdom has signed a tax information exchange agreement and which were not mentioned in the Budget speech are Bermuda, the Isle of Man, the British Virgin Islands, Guernsey, Jersey, Anguilla, the Turks & Caicos Islands, Gibraltar, the Bahamas, Antigua & Barbuda, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines and San Marino.

Since the G20 London summit in April 2009, the United Kingdom has also signed a number of agreements for the avoidance of double taxation (including protocols to existing agreements) in order to provide for the exchange of tax information to the same international standard. These agreements are with the Cayman Islands, Belgium, Qatar, Luxembourg, Singapore, Switzerland, Malaysia, Austria, Montserrat and Bahrain.

Other agreements are being negotiated.

Taxation: Personal Allowance

Questions

Asked by ***Baroness Massey of Darwen***

To ask Her Majesty's Government what is the cost of providing a transferable income tax personal allowance for all married couples with children under three. [HL2841]

To ask Her Majesty's Government what percentage of (a) married couples, (b) families, and (c) all people, would benefit from providing a transferable income tax personal allowance for all married couples with children under three. [HL2842]

The Financial Services Secretary to the Treasury (Lord Myners): Due to the complex nature of these questions the following estimates should be treated with caution. These estimates exclude any behavioural response to the change, which could be significant given the magnitude of the change.

The estimated cost in 2010-11 of allowing the personal tax allowances of married couples with children under three to be transferable would be £0.6 billion.

The percentage of families and individuals benefiting, for the following groups, would be:

5 per cent of all married couples;

2 per cent of all families; and

2 per cent of all people.

These estimates have been calculated using HM Treasury's tax and benefit micro-simulation model using Family Resources Survey 2007-08 data.

Traffic Management Act 2004

Question

Asked by ***Lord Berkeley***

To ask Her Majesty's Government further to the Written Answer by Lord Adonis on 5 March (*WA 392*), what was the outcome of their liaison with the Local Government Association about the view of its members outside London on the introduction of the moving traffic contraventions provisions of Part 6 of the Traffic Management Act 2004. [HL3191]

The Secretary of State for Transport (Lord Adonis): The Department for Transport now has a good understanding of the various traffic management problems that would be tackled with these powers by the very few local authorities that are actively campaigning for them. We would still like to see what further evidence there is from individual local authorities and the positive impact such powers would provide in local situations, and on this basis we propose to review the position in the summer.

Trust Ports

Question

Asked by ***Lord Berkeley***

To ask Her Majesty's Government whether all borrowing by trust ports defined as public corporations is included in the public sector net borrowing statistics; and, if so, whether the accounts of all such bodies specify that. [HL3190]

The Secretary of State for Transport (Lord Adonis): Net borrowing by those trust ports classified as public corporations by the Office of National Statistics contributes to the public sector net borrowing.

Trust ports prepare their accounts in accordance with the requirements of the Companies Act and follow either UK generally accepted accounting practices or financial reporting standards. Neither would require trust ports to record that their borrowing contributes to the public sector net borrowing.

Turkey

Question

Asked by ***Lord Hylton***

To ask Her Majesty's Government whether they have assessed the sentences sought by the Turkish public prosecutor for two former leaders of the Democratic Society Party; and what assessment they have made of the compatibility of their

prosecution with freedom of expression as defined in international covenants ratified by Turkey. [HL3046]

The Minister of State, Foreign and Commonwealth Office (Baroness Kinnock of Holyhead): We are aware of the cases against Ahmet Turk and Aysel Tugluk. It is not our practice to comment on ongoing legal cases or the sentences sought by prosecutors of foreign countries as part of the judicial process. It is for the Turkish courts to assess the evidence against the individuals and determine the sentences in accordance with applicable law in Turkey. We expect Turkey to act in a manner consistent with all its international obligations and will continue to follow developments closely.

Universities: Funding

Question

Asked by ***Lord Inglewood***

To ask Her Majesty's Government whether they will ask the Higher Education Funding Council for England to conduct an inquiry into the financial situation at the University of Cumbria. [HL3204]

The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills (Lord Young of Norwood Green): All institutions in receipt of funding from the Higher Education Funding Council for England (HEFCE) are required to enter into a Financial Memorandum with the council. It sets out the duties on the institution to properly account for and deploy public funds, and where necessary for the council to provide additional to help to institutions encountering financial problems. The University of Cumbria is going through a period of restructuring at present. HEFCE is providing assistance to the university through this process. We have no reason to lack confidence in either the institution or in HEFCE's handling of the situation. A further inquiry is not therefore required at this stage.

War Crimes

Question

Asked by ***Lord Alton of Liverpool***

To ask Her Majesty's Government whether they will undertake not to grant a visa or permission to enter the United Kingdom to any individual accused by the United Nations of war crimes, rape, or human rights violations in the Congo or Rwanda. [HL3109]

The Parliamentary Under-Secretary of State, Home Office (Lord West of Spithead): It is government policy that the UK should not be a safe haven for war criminals or those who commit crimes against humanity. Any named individual accused of war crimes would normally be refused entry clearance under paragraph 320(19) of the immigration rules on the grounds that their presence in the United Kingdom would not be conducive to the public good.

Waste Management

Questions

Asked by ***Lord Redesdale***

To ask Her Majesty's Government what assessment they have made of the effectiveness of the Environment Agency at closing waste facilities that are not permitted or registered as exempt facilities. [HL3132]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): The Government provide the Environment Agency with powers to secure compliance with legislation or to take appropriate enforcement action where this cannot be achieved.

The Environment Agency has an ongoing programme to tackle illegal waste sites and is committed to tackling sites according to the risk they pose. Since April 2008, the Environment Agency has closed 1,467 illegal waste sites in England and Wales, 305 of which were categorised as higher risk.

Asked by ***Lord Redesdale***

To ask Her Majesty's Government why the Environment Agency concluded that the minimum safe distance from biological treatment facilities of residential properties or workplaces was 250 metres. [HL3133]

Lord Davies of Oldham: The Environment Agency believes that the 250 metres limit is sufficiently precautionary, based on currently available knowledge. It will continue to keep under review its policy on composting and health effects and amend it, if necessary, in the light of any relevant new research or evidence.

Waste Management: Compost Sites

Questions

Asked by ***Lord Redesdale***

To ask Her Majesty's Government what were the results of the financial impact assessment on the Environment Agency's revised policy statement on bioaerosols. [HL3134]

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Davies of Oldham): In October 2007, the Environment Agency issued a revised policy statement entitled *Our position on composting and potential health effects from bioaerosols*. This document clarified the requirement for a site-specific bioaerosol risk assessment if there is a workplace or dwelling within 250 metres of the composting site boundary. A financial impact assessment was not deemed to be appropriate as the document did not alter the original 2001 position.

Asked by ***Lord Redesdale***

To ask Her Majesty's Government who would meet the cost of relocating any previously identified open windrow compost site that is within 250 metres of a receptor and which does not have an environmental permit. [HL3135]

Lord Davies of Oldham: It is for the operator to decide the best course of action for their business and to meet the cost of fulfilling the regulatory requirements.

Asked by ***Lord Redesdale***

To ask Her Majesty's Government how many small-scale compost sites on farms have not met the requirements for a standard permit, in light of the Environmental Agency policy statement regarding the 250-metre rule. [HL3136]

Lord Davies of Oldham: Small-scale compost sites on farms are currently likely to operate under a registered exemption from an environmental permit.

When registering such sites, the Environment Agency is not required to ask for any information beyond its regulatory remit and therefore does not hold information on whether an exempt site is a farm or not.

Asked by ***Lord Redesdale***

To ask Her Majesty's Government whether the Environment Agency has considered the environmental impact of moving compost sites further away from the waste arisings in considering the 250-metre rule. [HL3137]

Lord Davies of Oldham: The Environment Agency has not made any changes to regulation that would require existing permitted composting sites to relocate.

The Environment Agency has not considered the environmental impact of moving composting sites. Any operators that want to relocate their operations would need to consider the environmental impacts.

Waste Management: Radioactive Waste

Question

Asked by ***Lord Greaves***

To ask Her Majesty's Government where low-level radioactive waste storage sites are located; how many successful and unsuccessful applications for low-level radioactive waste storage have been made in the past five years at each location; and how many applications for the storage of low-level radioactive waste are outstanding at each location. [HL3179]

The Minister of State, Department of Energy and Climate Change (Lord Hunt of Kings Heath): Low level radioactive waste (LLW) generally has a low potential hazard and can consist of contaminated equipment and protective clothing from facilities that handle nuclear material, or contaminated materials such as concrete rubble.

Storage of radioactive materials and waste on licensed nuclear sites in the UK is regulated by the HSE's Nuclear Installations Inspectorate. Waste quantities and sources are set out in the UK Radioactive Waste Inventory (www.nda.gov.uk/ukinventory/sites/). Most LLW is generated on nuclear sites but is only routinely stored for short periods before being sent to the LLW repository in west Cumbria. One new nuclear installation has been licensed to store LLW in the past five years—that for a metal recycling facility operated by Studsvik UK in west Cumbria. There have been no unsuccessful applications to store LLW at nuclear licensed sites and no applications are outstanding.

Radioactive waste is also generated in smaller quantities by non-nuclear industry activities such as the health, education and wider industrial sectors and is regulated by the environment agencies. If authorised by the environment agencies, LLW can be stored on these non-nuclear sites. In England and Wales, 775 non-nuclear premises are authorised by the Environment Agency and most of these will involve storage of small amounts of LLW, pending disposal. Most of the applications for authorisations in the past five years were approved. In Scotland, over 300 non-nuclear premises are currently authorised by the Scottish Environment Protection Agency.

In Northern Ireland, there are 25 non-nuclear premises that hold authorisations for the storage of LLW. Four of these have been authorised in the past five years, no unsuccessful applications have been made and there are no applications pending.

Further information can be obtained from the relevant environmental regulators. Their website details are as follows:

www.environment-agency.gov.uk; and

www.sepa.org.uk.

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