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**OFFICIAL REPORT**

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# House of Lords

Thursday, 25 July 2013.

11 am

Prayers—read by the Lord Bishop of Birmingham.

## Overseas Aid: Post-2015 Development Agenda Question

11.06 am

Asked By **Lord McConnell of Glenscorrodale**

To ask Her Majesty's Government what steps they will take to follow up the report of the United Nations High-level Panel on the Post-2015 Development Agenda.

**Baroness Northover:** My Lords, the Government welcome the high-level panel's report as an ambitious and practical starting point for negotiations on the post-2015 development framework. Over the next two years we will work internationally to seek to build momentum behind the panel's recommendations and to ensure that the final framework is equally strong.

**Lord McConnell of Glenscorrodale:** I thank the Minister for that Answer. Everyone in this House who has taken part in debates on this matter will welcome the very strong analysis and recommendations made in the report of the high-level panel on the issues of conflict, security and development. In fact, the recommendations are perhaps surprising given the hostility that there may be elsewhere in the United Nations system towards these issues. What action will the Government take to build a broad coalition in the United Nations and elsewhere to secure these recommendations and to make sure that the final report for the post-2015 development framework tackles the crucial issues of peacebuilding and post-conflict reconstruction?

**Baroness Northover:** This report is remarkable. Many people felt that it would be very difficult to secure something as focused, streamlined and effective as this one is, following on as it does from the previous one, which was negotiated almost in isolation. Many different groups and organisations from countries across the globe have been involved, which is a good omen for taking this forward. However, the noble Lord is absolutely right to say that it is going to need a lot of work, and this Government will be putting that work in to ensure that what is finally proposed is as strong as this initial report.

**Lord Low of Dalston:** My Lords, the Prime Minister is much to be congratulated on the report of the high-level panel, which he co-chaired, given its emphasis on no one being left behind and the recommendation that targets should be considered achieved only if they

are met for all the relevant income and stakeholder groups. Given all of that and the fact that progress towards the current millennium development goals has been limited by the great increase in global inequalities, will the UK Government press for a stand-alone goal on equality in the post-2015 framework?

**Baroness Northover:** The noble Lord is right about how this proposal emphasises leaving no one behind and that targets can be considered achieved only when they are met across all social and income groups. That is essential in tackling inequality. It seems to us that challenging inequality runs as a thread through the whole report.

**Baroness Jenkin of Kennington:** My Lords, I returned this morning from Myanmar which—although it was a fascinating week—is still in a very fragile state. It is one of the states that has failed to achieve any of the MDGs. It is still a very poor country where one in four people lives below \$1.25 a day, and it has terrible capacity issues. Given the feeling of hope in that country now, what does DfID plan to do to support the Burmese people in the run-up to the 2015 elections?

**Baroness Northover:** DfID is a strong supporter of Myanmar and we recognise that it is a very fragile state. I think that my noble friend went with an all-party group, and we are delighted that such a group has been able to visit. We recently announced £10 million in funding to help with the 2014 Myanmar population and housing census which will help to underpin the information required for the elections. We will continue to help the Government and other organisations in other ways as well.

**Baroness Kinnock of Holyhead:** My Lords, the managing director of the IMF, Christine Lagarde, recently said:

“Rising income inequality is a growing concern for policymakers around the world”.

Why, then, has the high-level panel omitted any reference to this issue, and why does it talk only about equality of opportunity? Does the Minister agree that Madame Lagarde's evidence-based statement that,

“more equal societies are more likely to achieve lasting growth”, should be considered in any future discussions?

**Baroness Northover:** If the noble Baroness looks at the 12 goals, and I am sure that she has, she will see that they include the issues that need to be addressed. For example, goal 8 is to,

“create jobs, sustainable livelihoods and equitable growth”.

I think that that addresses the problems that she highlights.

**The Lord Bishop of Birmingham:** Like other noble Lords, I applaud the Prime Minister's initiative and leadership in this area and encourage him to press on. In view of the importance that the report attaches to gender equality and empowerment, can the Minister confirm that the Government will look to next year's UN Commission on the Status of Women, which

[THE LORD BISHOP OF BIRMINGHAM]  
starts in March, to build consensus among UN member states on this matter, ahead of any final negotiations on the post-2015 development agenda?

**Baroness Northover:** I can assure the right reverend Prelate that we are already doing that. A great deal of work went into ensuring that this year's CSW could reach agreement. It required a lot of work but we were delighted that that agreement was reached. We are already working on the next one and are delighted that the second of the 12 goals is on gender equality.

**Lord Chidgey:** My Lords, according to a report on EurActiv.com under the headline "Brussels proposes pooling world aid development funding", the EU's Development Commissioner, Andris Piebalgs, issued a statement on 16 July proposing that, post-2015, "all types of development aid ... be considered as 'a whole'", including ODA for low-income countries. He described the statement as, "another big step towards putting in place the ... post-2015 framework".

How can Mr Piebalgs' initiative apparently to place world aid under a European Commission social development agenda be compatible with DfID's vision of using ODA as a means of growing economies so that they can trade out of poverty? Will the Government be seeking clarification?

**Baroness Northover:** I have seen a copy of what Commissioner Piebalgs said and he was talking about all financing sources, which includes private finance flows, domestic resources and ODA. We quite agree that all those things can contribute to the relief of poverty. We work very closely with the Commissioner. I have certainly found, after meeting him many times, that he and DfID very much agree about how best to take this forward.

**The Earl of Sandwich:** My Lords, given the huge success of the water, sanitation and hygiene programme, would the Minister not prefer to see it higher in the priorities for the post-millennium period, and is she surprised that it is not?

**Baroness Northover:** There are 12 goals, as the noble Earl will know, and I am very pleased that achieving universal access to water and sanitation is among them. I do not think that he should regard them as being in order of priority. The ones that are in there are very significant.

## Taxation: VAT on Retrofitting Buildings *Question*

11.14 am

*Asked By Lord Empey*

To ask Her Majesty's Government whether they have plans to reduce VAT on the retrofitting of existing buildings to encourage energy saving and job creation.

**Lord Newby:** My Lords, a reduced VAT rate of 5% already applies to the installation of various energy-saving materials, including insulation materials, in residential properties. There are many instances where people incur expenditure in a way that helps to reduce energy use, but given the current fiscal pressures, it is not possible to relieve such expenditure from tax.

**Lord Empey:** My Lords, as suppressing the demand for energy and encouraging job creation are two of the Government's key objectives, is there not a strong case for reducing VAT more generally on the retrofitting of buildings as a simple and quick way of ensuring that both these objectives are achieved at minimal cost to the Treasury? Will the Minister not take a leaf out of the Americans' book and look at this again, as it has been a successful policy across the Atlantic?

**Lord Newby:** My Lords, the Government recognise that energy efficiency has a major role to play in meeting carbon reduction objectives while reducing energy costs for consumers, and the process of doing that can and does generate jobs. That is why we have introduced the Green Deal, which, as noble Lords will be aware, encourages home energy-efficiency improvements, paid for by savings on energy bills. The energy company obligation will work alongside the Green Deal, focusing on hard-to-treat homes and low-income households.

**Lord Marlesford:** My Lords, does the Minister agree that the noble Lord's reference to the United States is not very relevant because the United States does not have VAT? Indeed, it would do much better if it did have it. Furthermore, does the Minister agree that the Government should be very cautious in extending multi-rate VAT because all sorts of anomalies and complications can follow?

**Lord Newby:** My Lords, I have a great deal of sympathy with the noble Lord because my first job as a new employee was working on VAT. It was very complicated when it was introduced; it has got more complicated since then and should not be allowed to get any more so.

**Lord Howarth of Newport:** My Lords, is it not irrational to have a VAT regime that incentivises demolition and new build and penalises alteration and refurbishment? Is that not just as perverse in relation to heritage conservation as it is to energy saving? Will the Government negotiate with real determination in Brussels to secure a sensible regime?

**Lord Newby:** As the noble Lord said, the VAT regime is an EU regime. Any attempt to change it will require unanimity as it is a tax measure. Opening up the regime would, in my view, open up a Pandora's box, and I do not recommend that as a policy approach.

**Lord Redesdale:** My Lords, Britain has one of the oldest building stocks in Europe. Does the Minister not agree that the value of retrofitting old buildings is incredibly important? I point to the enormous success

of the retrofitting of the Palace of Westminster and congratulate the efforts by the staff to make great savings. However, there are particular problems with the Palace of Westminster. It is a grade 1 listed building, and there is quite a cost burden on retrofitting listed buildings. Can the Government consider a different, deferential rate for all listed buildings because of the cost implication of retrofitting listed buildings?

**Lord Newby:** My Lords, I think that we are all aware of the complications of trying to make a building such as this energy efficient, and I pay tribute to the work being done in that respect. Sadly, under EU legislation, the scope for a reduced rate of VAT on non-residential royal palaces is, I am afraid, non-existent. However, I commend, and refer the noble Lord to, the work that the National Trust is doing on green energy projects—for example, installing a biomass boiler system at Chirk Castle, which just shows what can be done. I remind the noble Lord that the Green Deal will apply to homes that are listed buildings.

**Lord Barnett:** My Lords, is the noble Lord's strong support for energy saving why his right honourable friend the Chancellor is so strongly supporting shale gas, especially in Lancashire, where many jobs will be created? Lancashire will be very grateful for the support of the Chancellor.

**Lord Newby:** Shale gas is a significant potential new source of energy. As the noble Lord will be aware, we announced a series of measures in the spending review that will facilitate the development of shale gas. We think that it can play an important part in our future energy mix. Of course, the development of it will generate a number of jobs.

**Lord McFall of Alcluith:** In the discussion the other day with representatives of the KfW Bank in Germany, at which the Minister was present, he will have heard them say that one of the most successful schemes the bank has been involved in is a scheme for energy saving and job creation in Germany. Does he not think that there is a lesson here for this country, at a time when the divide between north and south is getting greater, so that we can help rebalance the economy and provide jobs at a local level, thereby having the twin objectives of ensuring economic prosperity and providing insulation for homes for the future?

**Lord Newby:** I completely agree with the noble Lord. Of course, that is why we set up the Green Investment Bank, which is already proving its worth, not only in putting money into green projects on its own behalf but getting a significant multiple of private sector investment coming in to support that government pump-priming.

**The Lord Bishop of Chester:** My Lords, the Minister has twice referred to the Green Deal as the Government's policy response to the issue. Can he tell the House how the take-up of the Green Deal is progressing in relation to the hopes that were expressed?

**Lord Newby:** My Lords, the Green Deal is a new project with a 20-year life ahead of it. Up to the end of June, some 44,479 assessments had been made and 3,500 installations had received cashback payments. In addition, 78% of people with a Green Deal advice report said that they had, were getting or would get energy-saving measures installed, which demonstrates a very high level of consumer interest.

## **Overseas Aid: GDP Target** *Question*

11.22 am

*Asked By Lord Bates*

To ask Her Majesty's Government what discussions they had at the G8 summit on members' individual progress towards the 0.7 per cent of gross domestic product target for spending on overseas aid.

**Baroness Northover:** My Lords, individual progress towards the 0.7% of gross national income target for spending on overseas aid was discussed by the G8 as part of the production of the *Loch Erne G8 Accountability Report*, which was endorsed by leaders at the G8 summit.

**Lord Bates:** I am grateful to my noble friend for that Answer. While we can take immense pride in being the first Government of a major G8 country actually to deliver on the pledge made 23 years ago to provide 0.7% of our gross national income to the poorest, Germany is still at 0.38%, Canada at 0.32%, the US at 0.19% and Japan at 0.17%. Does my noble friend accept that the entire point of us increasing our responsibility and taking our responsibility to the world's poor seriously was never meant to enable other countries, which are now cutting their aid budgets, to shirk their responsibility to the poorest?

**Baroness Northover:** My Lords, I thank the noble Lord for his tribute to our leadership on this. By meeting our commitments, we are better able to seek to influence others, and that is what we are indeed seeking to do. I note his example and pay tribute to him because, as I understand it, on Saturday he will be starting a 500-mile walk on behalf of Save the Children's work in Syria.

**Noble Lords:** Hear, hear.

**Baroness Symons of Vernham Dean:** My Lords, the noble Baroness may be aware that shortly after the main G8 summit there was also a G8 conference on women, based on the Deauville Partnership. Given the question raised earlier by the right reverend Prelate, can the noble Baroness tell us what part of our budget is currently directed towards projects that specifically deal with developmental issues for women, many of which will be very well known to her?

**Baroness Northover:** I will write to the noble Baroness with a more precise answer on that. I know that I have issued Written Answers but I cannot, I am afraid, give her the figure off the top of my head.

**Lord Howell of Guildford:** My Lords, I think we all applaud the dedication and enthusiasm of my noble friend Lord Bates, but does the Minister accept that while these great global targets may bring satisfaction to some, the actual aim is development, not merely volumes of aid, and the real drivers of development are entrepreneurship and ownership raising the prosperity of the peoples and the countries concerned and eradicating poverty? As has been set out very clearly by great experts such as Hernando de Soto, these are the things that will make development work. Will she assure us that her colleagues are fully aware of this view about how aid can lead to development rather than in some cases actually block it?

**Baroness Northover:** I assure my noble friend that DfID is very seized of that and is well aware of the importance of entrepreneurship and ownership. We are also, of course, aware that the stories of China and India show that trade and economic development have powered those countries.

**Lord Judd:** My Lords, whatever happens about the commendable 0.7% target, does the noble Baroness agree that to be effective, we must support the strengthening of governance, effective and fair tax systems, and sustainable development programmes in the third world that take into account the challenge of climate change? Does she also agree that if we are to be effective in achieving this, we must not preach at the third world about its responsibilities but have to demonstrate, in tax and in our sustainable development policies in this country, that we are doing what we are asking it to do?

**Baroness Northover:** The noble Lord will be aware that in the previous Question we talked about the MDGs. Their environmental goals are clearly extremely important and need to be agreed by developed and developing countries. He is right about the burden on us in terms of taking this forward. He will also know that there was a major emphasis on tax at the G8 and the G20. The United Kingdom is leading with regard to addressing the issues that he has highlighted.

**Baroness Nicholson of Winterbourne:** My Lords, I welcome the Minister's robust response. Nonetheless, it is how the money is spent, rather than the amount of money, that actually tackles poverty effectively. With that in mind, how does her department intend to respond to the continuing challenges posed to it by the further report of the Select Committee on International Development in another place, published this morning, on accountability and transparency?

**Baroness Northover:** I saw the press coverage of the International Development Select Committee's report this morning. I was then astonished to look at the report itself, and wondered how on earth the press came to the conclusions that they did. They were reviewing DfID's multilateral aid review. They pointed out that it was extraordinarily important for DfID to review how its aid is given, and suggested that there were strengths, but also some areas where DfID might

want to investigate further, including—to pick up the noble Baroness's question earlier—ensuring that multilateral organisations focus on gender. I welcome the Select Committee's report; it helps keep us on our toes, and it does not match up with this morning's press reports.

**The Earl of Listowel:** My Lords, I join noble Lords in praising the coalition Government for their global leadership in meeting our responsibilities to those in the developing world. Does the Minister agree that it is helpful to bear in mind the difference that this is making to children's lives, to think of particular instances—such as the boy who was brought up by his grandmother in a marginal area of Tanzania far from hospitals and schools, who experienced kwashiorkor, and who came to speak to Members of the House about his struggles—and to think that other children will not suffer that undernourishment or the life-damaging results of hunger at such an early age because of the leadership of the coalition Government?

**Baroness Northover:** I thank the noble Earl for his tribute. He is absolutely right. Anybody who works in this area and anybody who visits the countries that he has visited will understand why we are doing this. He will also be aware of the focus on nutrition that we had just before the G8 and the emphasis on ensuring that children are not stunted both physically and mentally.

## Cigarette Packaging *Question*

11.30 am

*Asked by Baroness Thornton*

To ask Her Majesty's Government what action is being taken to ensure that they implement their obligations under Article 5.3 of the World Health Organisation Framework Convention on Tobacco Control when consulting on cigarette packaging.

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** My Lords, the Government take very seriously their obligations as a party to the World Health Organisation's Framework Convention on Tobacco Control. This treaty places obligations on parties to protect public health policy from the vested interests of the tobacco industry. Our tobacco control plan has a chapter dedicated to how we are going about protecting tobacco control from vested interests. Our approach is consistent with guidelines that have been agreed to assist parties to implement Article 5.3 of the treaty.

**Baroness Thornton:** I thank the Minister for that Answer but, for the information of the House, the guidelines for the implementation of Article 5.3 state that parties to the convention, "should require rules for the disclosure or registration of the tobacco industry entities, affiliated organizations and individuals acting on their behalf, including lobbyists".

The guidelines specify that that covers meetings, receptions and all conversations which should be a matter of public record. Will the Minister ask his right honourable colleague the Secretary of State for Health to write forthwith to all his colleagues across government, reminding them what HMG's long-standing commitments to the World Health Organisation's convention are and how they should be enacted? Can he assure the House that Article 5.3 has been complied with in every particular in the past year while leading up to the disappointing announcement that plain packaging has been delayed?

**Earl Howe:** I can give the noble Baroness that assurance. She will know from her time in government how seriously the Department of Health takes its obligations in this area, not least around transparency but also minimising the extent to which officials meet representatives of the tobacco industry. I am sure that my colleagues in other departments need no reminding of their obligations as well. We do of course interact with the tobacco industry, as the framework agreement allows, but we encourage those representations to be in writing and minimise face-to-face contact.

**Lord Foulkes of Cumnock:** My Lords, has the Minister seen reports that Downing Street said yesterday that Lynton Crosby advises on strategy, not on policy. What is the difference in relation to tobacco legislation?

**Earl Howe:** I am sure that we could get into an interesting conceptual discussion about the difference between strategy and policy. The key point is that Mr Crosby has been very clear in his public statement. He has said:

“At no time have I had any conversation or discussion with or lobbied the prime minister, or indeed the health secretary or the health minister, on plain packaging or tobacco issues”.

That is very clear.

**Baroness Finlay of Llandaff:** What assessment do the Government intend to make in the coming year of the appeal of current packaging, given that some of the slimline packaging is particularly attractive and enticing to young women and that some of the chunky packaging is particularly enticing to the macho side of young men?

**Earl Howe:** The noble Baroness gives me the opportunity to make clear that plain packaging of tobacco is very much still in our sights; we have not decided to reject that option. I am sure that the psychology of marketing is one very important area that we will continue to focus on.

**Baroness Jolly:** My Lords, what better adviser is there for the Department of Health or indeed the Prime Minister than Cancer Research UK, whose only interest is preventing children starting to smoke? When did my noble friend's department last speak to that organisation about tobacco packaging?

**Earl Howe:** My Lords, I cannot tell my noble friend about the dates on which the department spoke to Cancer Research UK; I can tell her that we have very regular dealings with Cancer Research UK. CRUK

made a submission to the consultation on the plain packaging of tobacco. I can feed back to my noble friend with specific details.

**Baroness Symons of Vernham Dean:** My Lords, given that the Government clearly wanted to make the distinction between strategy and policy, would the Minister have another shot at answering the question raised by my noble friend Lord Foulkes? If he is unable to do so, perhaps he could consult with his colleagues who made such a distinction and write to my noble friend to explain why that distinction was made and what it meant.

**Earl Howe:** I answered as I did because it is important for us not to get too bogged down in semantics. Did Mr Crosby speak to the Prime Minister about tobacco issues or did he not? The answer is that he did not.

**Lord Elystan-Morgan:** My Lords, the issue is not whether or not he spoke to the Prime Minister but whether he, or any other corporate interest in which he is involved, sought any contact with Government or any agency of Government in relation to this matter.

**Earl Howe:** My Lords, I am aware that officials in my department—not Ministers, I emphasise—had face-to-face meetings with certain tobacco companies in the context of the consultation on plain packaging. That was done to clarify certain aspects of their written submissions and is as far as it went. I am not aware of which companies those were, but if I can enlighten the noble Lord I will write to him.

**Lord Avebury:** My Lords, does my noble friend agree that it is harmful to public health in the United Kingdom for Mr Crosby to have any dealings whatever with government departments while exercising a malign influence in the background, and that he should be got rid of and sent back to Australia?

**Earl Howe:** The latter matter is not one on which I will have any influence, nor do I wish to. However, on my noble friend's point, I cannot say more than I have already: Mr Crosby has had no dealings with Ministers or the Department of Health on the issue of tobacco.

## NHS: Accident and Emergency Services

### *Private Notice Question*

11.37 am

*Asked By Lord Hunt of Kings Heath*

To ask Her Majesty's Government what immediate action they are taking to meet the pressures on accident and emergency services in order to avert a crisis.

**Lord Hunt of Kings Heath:** My Lords, I beg leave to ask a Question of which I have given private notice. In doing so, I remind the House of my health interests in the register.

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** My Lords, the Government recognise the severity of this issue and acknowledge that there was a dip in performance. We are taking robust action to address these issues and the 95% standard on four-hour A&E waiting times has now been met for the 12 consecutive weeks ending 14 July. The Government and NHS England are now looking at how we address the long-term issues facing A&E and the wider NHS.

**Lord Hunt of Kings Heath:** My Lords, the crisis in A&E happened on this Government's watch as a result of the disastrous structural changes that they embarked on, the drastic cuts in social services and the disastrous launch of the 111 service. The noble Earl has talked about robust action being taken, but he will be aware that yesterday the Health Select Committee made it clear that local urgent care boards are simply not getting to grips with the problem. We are therefore heading for another very difficult winter, with many services at breaking point. Will Ministers take responsibility? Why, when the noble Earl talks about robust action, is the Government's emergency care review only to be implemented next spring, six months too late?

**Earl Howe:** My Lords, I do not share the noble Lord's analysis of the problem. A&E departments are currently meeting targets, but the long-term pressures have been building up for many, many years. Over the past decade, emergency admissions have risen by 35% and an extra 1 million patients have attended A&E compared to three years ago. This is not anything recent. The Government's reforms will, if anything, help to ease the pressure because doctors now have the freedom to provide the health services their patients really need. The action we are taking in the immediate term is to encourage doctors and all the key players in the health system to get together in urgent care boards to make sure that next winter we see a much easier picture.

**Lord Trefgarne:** My Lords, is it not the case that the problems now being faced by many A&E departments are the result of changes to GP contracts introduced by noble Lords opposite many years ago?

**Earl Howe:** My Lords, there are many factors at play here. There is no doubt that the GP contract severed the legal responsibility that individual GPs had to look after their patients out of hours. It would be idle for me to stand here and say that that has had no effect on A&E attendances. Patients are confused now about who to contact out of hours and many turn up at A&E when perhaps they should not have done so.

**Lord Kakkar:** My Lords, I declare my interest as professor of surgery at University College London and chair of quality for University College London Partners. What progress has been made in the commissioning of integrated care services across hospitals

and the community for frail, elderly patients with multiple co-morbidities, who frequently have to attend A&E for the lack of such services?

**Earl Howe:** Not for the first time, the noble Lord hits on an extremely important aspect of the problem that we are facing. It is the frail elderly who often turn up at A&E with a crisis in their health when that crisis could have been averted. That is why Sir Bruce Keogh has been tasked to look across the piece at the whole system to see how we can ensure that the frail elderly in particular are served better by the health service, not least to prevent the exacerbation of long-term conditions.

**Lord Dubs:** The Minister has suggested that the problems of A&E are going to get worse in future. How will the Government's attempt to tackle those problems be helped by the closure of A&E departments in many parts of the country? In particular, how will they be helped in west London with the impending closure of A&E departments at Hammersmith and Charing Cross hospitals?

**Earl Howe:** As the noble Lord will be aware, the latter issue is currently being scrutinised by the Independent Reconfiguration Panel so it would be wrong of me to comment on that. On the question of reconfigurations generally, we are clear that this is a matter for local decisions by doctors, nurses and all those with a stake in the system. It is not for Ministers to issue edicts from the top. We are clear that any reconfiguration of A&E services has to take into account the capacity of the system to absorb any closures of A&E and the capacity of community services to step in where that is appropriate.

**Baroness Jolly:** My Lords, there is emerging evidence that younger people are using A&E as their first point of contact with the health service rather than their GP or out-of-hours services. Are there any plans to run local campaigns to remind people that accident and emergency units are just that? They are for accidents and emergencies and not coughs and colds.

**Earl Howe:** My noble friend is exactly right. In the work that we are doing on NHS 111, we are seeking to promote to members of the public the advice to phone before they do anything else. If they phone NHS 111, they will be signposted to the correct area of the health service.

**Lord Richard:** My Lords, the Minister said that the Government are taking robust action. What robust action?

**Earl Howe:** We have been taking action in several areas. We released additional money to ensure that immediate pressures were relieved in the health service in the spring and, as I have said, that was successful. We are encouraging, and have ensured, the setting up of urgent care wards, which amount to the kind of discussions across the system in local areas that are needed to ensure that there are no blockages in that

system. More fundamentally, we have tasked Sir Bruce Keogh to undertake the work that I referred to earlier, looking at the root causes of why there have been these pressures on A&E. There is no single answer to that question.

**Baroness Finlay of Llandaff:** My Lords, I declare my interests, including that my daughter is an A&E consultant in London. Are the Government planning specifically to put in some additional resources to support A&E departments now, given that the consultants need more infrastructure support, including people at a much lower grade—clerical staff, care assistants and alcohol support workers—to cope with the peaks that occur of those who have come in having abused alcohol, who take staff away from the other very sick patients, who are often in resus and who they are also trying to look after at the same time?

**Earl Howe:** The answer to the noble Baroness's question is yes. We are looking very carefully at workforce issues and the mix of skills needed in those A&E departments that have been struggling. I refer not simply to A&E consultants but also specialists in their field—perhaps alcohol is a good example—who can deflect the pressure away from staff looking after acutely ill patients.

**Baroness McIntosh of Hudnall:** My Lords, building on the question from the noble Baroness, Lady Finlay, is there evidence that current difficulties in the administration of A&E departments are discouraging young doctors from regarding emergency medicine as an attractive specialism? Are the Government doing anything to encourage them to look at emergency medicine more favourably and to ensure that, if they do so, there will be jobs for them in the departments?

**Earl Howe:** That is very much in the focus of Health Education England which oversees workforce issues in the health service. There has been a shortage of A&E consultants for some time and Health Education England is looking at that area very carefully. A&E is a discipline that has not traditionally proved attractive to trainee doctors for a number of reasons. It is very stressful and the remuneration is perhaps less than in other areas of medicine. That needs to be addressed and is very much an area of scrutiny.

**Baroness Masham of Ilton:** My Lords, following on from that, is the Minister aware that half as many again emergency doctors are needed? What is he going to do about recruiting?

**Earl Howe:** As I have just said to the noble Baroness, there are no instant fixes to this but we want to ensure that recruitment over the medium term is addressed and Health Education England is doing that.

## Procedure Committee

### *Motion to Agree*

11.47 am

*Moved by The Chairman of Committees*

That the 2nd Report from the Select Committee (*Backbench Debates; Tabling oral questions; High Speed 2 and hybrid bill procedure*) (HL Paper 33) be agreed to.

**The Chairman of Committees (Lord Sewel):** My Lords, the report covers a number of different areas, which I will cover briefly in turn. The first part deals with the detailed implementation of two proposals by the Leader of the House to allocate more time for Back-Bench business. The first proposal is for a weekly one-hour topical QSD, to be selected by ballot and debated between the two party or balloted debates on Thursdays. The ballot would open at 10 am on Monday morning and be drawn at noon on Tuesday for Thursday of the following week.

As with topical Oral Questions, a topicality test would be applied: we suggest that the subject must have been covered by at least two mainstream media outlets on either the Monday or Tuesday that the ballot was open or over the preceding weekend. The second proposal focuses on balloted debates. We propose three changes: first, that the practice of rolling over Motions from one ballot to the next should be discontinued; secondly, that Members should be able to have either a Motion for balloted debate or a QSD on the same subject on the Order Paper at any one time, but not both; and finally, we propose an element of flexibility in the timing of balloted debates. Where one balloted debate has twice as many speakers as the other, there should be flexibility to shorten the less popular debate to two hours, in order to extend the more popular one to three hours.

Moving on from the Leader's proposals, the report proposes a slight change to the yearly cap on Oral Questions that the House agreed at the end of April. It has been brought to our attention that some Members were unaware that Questions tabled since January have been retrospectively counted as part of the Member's allocation of Oral Questions for the 2013 calendar year. To avoid penalising Members who were unaware of the retrospective nature of the cap, we propose that the yearly cap on Oral Questions be calculated from 1 May to 30 April. This change will ensure that only Questions tabled after the cap was agreed to will be counted.

Finally, the report recommends to the House two proposals from the Leader relating to the High Speed 2 hybrid Bill, which is expected to be introduced in the House of Commons by the end of the year. The first is to amend the private business Standing Orders to ensure that the House's procedures are compliant with the EU directive on environmental impact assessment by allowing the public an opportunity to comment on the environmental statement for a hybrid Bill and for those comments to be taken into account by both Houses.

[LORD SEWEL]

The second proposal is to allow the electronic deposit of documents relating to the High Speed 2 hybrid Bill. Standing Orders currently require hard copies of all Bill documentation to be deposited in every local authority along the line of route. Given that there are around 250 local authorities and the environmental statement alone is expected to run to 50,000 pages, this proposal simply allows, but does not require, these documents to be deposited in electronic form. The Government have undertaken to make all key documents available in hard copy in all deposit locations and to continue to provide all documentation in hard copy if locations so wish. I beg to move.

**Lord Foulkes of Cumnock:** Can the Chairman of Committees answer a question? On page 4, paragraph 8, the report says:

“The proposal for topical QSDs arose as part of a package intended to create more opportunities for backbench members to initiate debate. We therefore propose that they may be initiated only by backbench members”,

something with which I completely agree. In the case of the Liberal Democrats, as well as Ministers in the Government, they also have Front-Bench spokespersons who get up and speak on behalf of the Liberal Democrats. I presume that they are excluded from initiating Back-Bench debates.

**The Chairman of Committees:** It is intended for Back-Benchers. It should be for Back-Benchers. I am sure that people who operate as Front-Benchers will be aware of that.

**Lord Foulkes of Cumnock:** With respect, that has not answered the question. We need to be absolutely clear before we approve this that spokespersons for the Liberal Democrats are considered, for this purpose, to be Front-Benchers. With respect, they try to have it both ways. They try to have the privileges of Front-Bench spokesmen, but obviously they might try to be Back-Benchers as well. I therefore hope that it is absolutely clear.

**The Chairman of Committees:** My Lords, there is very little I can add to what I said. It is a matter for the usual channels to work out, if possible, whether there is such a thing as a Liberal Democrat Front-Bencher who is not a Minister.

*Motion agreed.*

## English Premier League Football

*Motion to Take Note*

11.54 am

*Moved by Lord Bates*

That this House takes note of the international economic and cultural contributions of English Premier League football to the United Kingdom.

**Lord Bates:** My Lords, it is an immense privilege to kick off this debate on the English Premier League. In securing this debate, I am grateful still to be able to declare a Premiership interest as a supporter of Newcastle United Football Club. I have learnt to cope with the disappointment over the years, but it is the hope that I cannot quite handle.

My purpose in seeking this debate was to highlight the incredible contribution that Premier League football makes to UK plc week in, week out. It is by far the most watched league in the world: 212 countries broadcast the Premier League, compared with the 193 member states of the United Nations and the 204 countries that sent teams to the Olympic and Paralympic Games last summer. That is a real penetration rate. Some 1.46 billion people follow the Premier League around the world—70% of the total population of the televised sport market.

That market is growing fastest in a corner of the world where our economic interests are growing fastest: in Asia. Asia now accounts for 31% of the viewership of Premier League football. The Prime Minister, on a recent trade mission, mentioned the first time that he enrolled the substantial figure of the Premier League trophy as a member of his trade delegation. When he turned up to a dinner in Kuala Lumpur, he saw businessmen from all over east Asia, and he later said:

“I thought ... all these people coming to have dinner with me, I must be such a big draw”.

He then realised that in fact that they all just wanted to be photographed with the Premier League trophy. It is an immense draw and an immense asset for British business and diplomacy.

If we are in a global race—and we are—the Premier League represents a massive home advantage for British business and diplomacy: it is our Stretford End and our Kop. It is not surprising that the Premier League is at the heart of the GREAT campaign to sell British goods, services and culture around the world. When last year *Monocle Magazine* carried out its global survey of national soft power capital, the UK was ranked at number one. The Premier League was the driving force behind that extraordinary performance. When Populus carried out an international survey asking respondents to rank what made them view Britain more favourably, the Premier League out-pollered popular music, the BBC and even—I dare say in the week of a royal birth?—the monarchy. Showing no hard feelings, Her Majesty awarded to the Premier League the Queen’s award for enterprise in international trade.

When the 22 first division clubs met on the morning of 27 May 1992 to resign en masse from the Football League, thus breaking with 104 years of tradition, not even they could have anticipated the global phenomenon that the Premier League has become. In its first season, it earned £46 million. Last year, it earned £1.28 billion and generated a further £3 billion for clubs through television rights. That is more than double the income of the Spanish and Italian leagues combined.

Part of what makes us British is that we sneer slightly at commercial success, believing that culture cannot really be culture if it is also popular. We slightly look down our noses at players with few or no

qualifications earning £100,000 per week. However, the salaries simply reflect the success of the business in which they deploy their sublime skills. In that they are no different from those in any other enterprise, such as investment bankers or hedge fund supremos, except for the level of joy which they give to the public as they ply their trade. Furthermore, Premier League clubs also paid in excess of £1 billion in tax to the Exchequer last year.

With wealth comes responsibility, of course, and support for organisations such as the Football Foundation are a vital way of growing the game for the future. It would be good to see how more of that wealth at the top could trickle down to the grass roots and help new talent to grow.

People around the world do not just watch Premiership football, they also come to see it. VisitBritain announced in October 2012 that 900,000 football tourists came to the UK in 2012, contributing £706 million to the national economy. This compares favourably to the 590,000 people who turned up for the Olympics and Paralympics.

It is not just the staggering commercial success and sheer entertainment value through which the Premier League makes its contribution to the reputation of the UK around the world. It is also through its international engagement. I am grateful to the noble Lord, Lord Bach, chairman of the British Council All-Party Parliamentary Group, for pointing out to me the British Council and Premier League's partnership through Premier Skills, which has helped 2,300 coaches and 400,000 young people in 20 countries around the world, including Afghanistan. It is no coincidence that the British Council has paired up with the Premier League—they both recognise that the Premier League's global audience is earned because it is globally accessible. Clubs are owned by Russians, Chinese, Americans, Indians and Arabs, with managers from 11 nations and players from 65 nations, and they are all watched in 212 nations.

For those of us of an internationalist persuasion nothing warms our soul quite like the sight of sportsmen of many different nations and cultures playing on the same level playing field, under the same rules, demonstrating the same purpose and commitment, working together as a team in pursuit of common goals. We have Argentinean and English, Greek and Turk, Iranian and American, Ukrainian and Russian, Serb and Croat, Japanese and Korean, who all play in the league, for the same teams, demonstrating the unifying nature of sport and confirming—whatever the politicians or clerics might tell us—that we are all human first. It is the ultimate meritocracy as it matters not a jot whether you are rich or poor, educated or uneducated, gay or straight; it does not matter how you look—as Wayne Rooney can tell us—but only how you play and what results you deliver.

The league is also becoming more religiously diverse. We are all familiar with the crucifix-kissing and heavenward-pointing finger of Christian players' goal celebrations, but more than 40 Muslim players now play in the league, and when Demba Ba struck a thunderous volley for Newcastle against Manchester

United, I almost converted on the spot. Seriously, however, that is why it is vital that that the Premier League is ruthless in ensuring that racism and all other forms of prejudice are trumped by respect for all those on the field and off, for that is the Premier League brand. All are welcome, worthy of respect and are subject to the same rules.

The Premier League is a great success story of which we can all be proud. It can be an immensely powerful resource for British business and diplomacy around the world, not just because of the game itself but because of what it says about how we believe the game should be played.

I am very grateful to so many noble Lords for registering to speak in this debate and I look forward to their contributions—and, in the spirit of the game, I will forgo my extra time and pass it on. I beg to move.

12.02 pm

**Lord Pendry:** My Lords, I congratulate the noble Lord on introducing this Motion. He has chosen an interesting title, which I would not normally associate with a debate on football in its broadest sense. However, to narrow a subject down to a particular league is quite unique and very welcome. Before I go on, I must say that I am sure that noble Lords in this debate who heard at Question Time that the noble Lord, Lord Bates, will be running a marathon for charity—and not for the first time—will want to wish him very well in that endeavour. This debate gives me an opportunity once more to promote an aspect of the work of the Premier League in so far as it makes a massive contribution under the aegis of the Football Foundation, and I declare an interest as president of that body.

As the noble Lord has already said, the incredible global success of the Premier League product has provided a colossal windfall contribution in both cash and expertise to the grassroots game here in England. Although in this Motion we are largely or at least in part referring to the international dimension of the league's work, its impact on our domestic grassroots game cannot be underestimated. In the past year alone, some £45 million was invested in grassroots and community activities by the Premier League.

In addition, the contribution made by the Premier League has also attracted £418 million of funding from local businesses, housing developers, the project's own funding foundation, as well as other sources. Furthermore, the Premier League's payment to grass-roots infrastructure has helped to improve not just the health of the population but also the health of the economy. For example, if a local football club or school needs to build a new playing surface or pavilion, it thus provides jobs to architects, builders, electricians, plumbers, and so on. The boost to the health of the UK's economy as a result of the Premier League's investment in the Football Foundation can be exemplified through the research that has been carried out recently by the Centre for Economics and Business Research, which showed the benefits to the UK economy in terms of the jobs, contribution to GDP and growth that result from that investment.

[LORD PENDRY]

I have in previous debates referred to the major contributions made to the Football Foundation by the Premier League and, of course, the Government and the Football Association, which are partners. Together they have invested some £200 million each into the foundation's funds since 2000. That has provided 1,664 new grass-roots sports facilities, including 402 new artificial pitches, 2,369 new grass pitches and 759 new changing facilities—I know this can be tedious, but it is very important to recognise the work that has been done—and thus has generated an enormous number of jobs and revenue to the Exchequer. The end of the statistics, I think. As an example, last season £1 billion of revenue to the Government was exclusively generated as a direct result of the Premier League, allowing more than £700 million to be spent in the UK economy. Almost 1 million foreign football fans came to the UK to watch Premier League clubs last season and 1,600 jobs and 843 community club projects were set up as a direct result of the Premier League funding. Together with the Professional Footballers' Association, the Premier League Foundation also provides grant schemes from the television revenues generated by the league. Clubs can use this money to assist charities financially, such as Tottenham Hotspur's funding of London's disability sport-specific charity, Interactive, which is just one of a huge number that owe much to the funding by the Premier League.

It was in June 2000 that I stood on the lawn of No. 10 Downing Street with the then Prime Minister, Tony Blair, launching the Football Foundation with representatives of the funding partners. Alongside me that day was Richard Scudamore, the chief executive of the Premier League and one of the original trustees of the foundation. Now, 13 years later, he still remains a trustee of its board. During the time that I was chairman of the board, I cannot remember him ever missing a single board meeting which, given the sheer scale and reach of the Premier League's operations, shows an amazing level of commitment. While I could list many quantitative examples of the benefits to the UK's economy, community and culture that are created by the Premier League, I should remind the House that the impact of the Premier League spreads further than just money or statistics. Football, being a sport, is in its very nature something that has a huge impact that cannot be easily quantified. Unfortunately, you cannot quantify inspiration or the sense of community, education, tolerance and respect. It is, however, arguably the most high-profile football league in the world. The coverage of the English Premier League that is seen by young people inspires them to take up sport and, in this case, football. It takes them away from activities that could be unsavoury. The sport gives young people who are surrounded by crime an incredible opportunity to gain priceless life experiences such as learning the importance of teamwork, leadership, skills and, ultimately, discipline and hard work. Any young person can get on to a football field, whatever their background, colour or creed, and they can learn and flourish there.

The other aspect of the nature of the Premier League—

**Lord Wallace of Saltaire:** My Lords, I remind the noble Lord that this is a time-limited debate.

**Lord Pendry:** I will conclude by congratulating the noble Lord, Lord Bates, once more. I look forward to hearing the contributions of others to this debate. I hope that all noble Lords who take part will learn something, as I will, from the contributions.

12.10 pm

**Lord Addington:** My Lords, I have a confession to make: I am not a football fan. It is an odd thing. What does Premier League football—this great, iconic game in this country—mean to me? My home city is Norwich. I still look for the result when it is announced on a Saturday. I still take that bit of time to find it. I might not take much time to watch the team play, but in a strange way the result matters. It is part of my identity. That tells us much about the importance of football in our society. It gets through to people who play another sport—in my case, rugby. It has a dominant position, which explains why the Premier League, when it broke away from all those years of tradition with all the gloom and doom that came with them, has gone on to be a wholly new, global thing.

How has football transformed itself? My memories of it as a young person were of something that you went to in order to shout abuse—often of a racist quality—at people and to get into fights. That was the general impression. The game at professional level has transformed itself after some very unpleasant experiences, and continues to transform itself. It now accepts its social role. Parliament is a slightly reactive body. There has to be a problem, it has to get reported and then we generally do something about it at some point after that. We now have interaction with the system, which has broken down the anti-social aspects of football and allowed this new thing to flourish. Now the Premier League has gone global and encourages huge amounts of expenditure.

What are the downsides of the changes that have happened from the world I grew up in? The idea of the local boy playing for his club and coming good is something that is now almost guaranteed not to happen because of the free and global market in players, and the international market structure. That has been used to explain the lack of competition for our national team. I repeated this argument once and somebody who knew something about the game said, "Don't talk rubbish. The people who are beating us often have their players in our league as well".

It is a huge, comparatively new thing. One of its downsides as a sporting event is that the championship is won too often by the same few clubs. Manchester United seems to have a timeshare on the championship with whoever else is coming along in the queue at the time. Greater diversity would be beneficial. However, as we look through the briefing, we discover that investment in other sports—for instance, the Olympics—and their competitors is important. So are the continuation of talent spotting, and support for the teaching of training techniques. The Premier League is showing

the way here, and investing in sports science produced by other bodies. This movement is gaining momentum and reflects the world in which we live.

However, when things go wrong—we remember the disappearance of Leeds United and Portsmouth—it can be cataclysmic. A club, which is a great social entity that brings pride to a local community, can disappear. Under this system, I do not think that there is great enthusiasm for saying that you have a franchise rather than a place in a league with the possibility of promotion and relegation. It can all go horribly wrong. It can even cause losses to the Revenue, as it did in the case of Portsmouth and other clubs. If we look north of the border to another great icon of the football scene—Rangers—and the trouble it has got into, we see the need to temper the ability to strive for success with realism. It reinforces the point about management structures and the fact that things come with a preparation cost.

It is a romantic idea even if much of the romance is being stripped out by money. However, if you do not prepare, you will lose this thing that people have a relationship with. The managers of many clubs have been hounded out because they would not invest sufficiently in their club for their fan base. The English Premier League as it stands now does good works and the noble Lord, Lord Pendry, has pointed out one of its activities. It is an icon of sporting activity. However, it has also shown that it needs management, investment and to be observed. The Government cannot totally turn their eyes away from it. To get the best out of it we have to live and interact with it. It cannot be left to itself but must link to its community. Politicians must make sure that it remains linked, too, to our structure. It is simply too big and too influential to be left to one side. We must talk to and engage with it. Otherwise we will lose many of the benefits that are potentially there.

12.16 pm

**Baroness Young of Hornsey:** My Lords, it gives me great pleasure to contribute to this debate and I congratulate the noble Lord, Lord Bates, on initiating it and opening it in such an eloquent manner. I declare an interest. I am an Arsenal season-ticket holder and a lifetime member of the Arsenal Supporters' Trust, and I am therefore a Gooner. I will do my best from now on to avoid references to my team and my favourite football metaphors.

As we reach the moment when transfer deals are won and lost, while the new season is rapidly approaching and the sad lack of achievement by our national squads is all too recent, it is a good time to reflect on the achievements of the English Premier League. There is no doubting the scale of the economic impact, which has already been mentioned by several noble Lords. Scanning through the Premier League submissions to the House of Commons Culture, Media and Sport Committee, and Deloitte's review, we learn that some of the vast amounts of money that have been earned have been reinvested in stadium facilities, playing squads and training standards in wider communities and grass-roots football. It is not only the football business that benefits from the Premier League's financial achievements.

Clubs have a significant impact on employment, GDP, national and local economies, and industries such as broadcasting, marketing, travel, tourism and hospitality, and on taxation revenues, as has been mentioned.

With the projected 25% increase in income from broadcasting, it is calculated that the revenue of Premier League clubs could hit £3 billion. We are looking at an institution in rude financial health, in spite of financial downturn, recession and austerity, whereas in the Spanish and Italian leagues the economic climate has dampened revenues. In fact, though the German Bundesliga is the most profitable league in Europe, the Premier League has the highest revenue of any league in European football. This is testament to its negotiating power, which is in turn due to its popularity and global drawing power.

While revenues continue to grow, the profitability of some individual clubs gives rise to concern and points to wider issues of financial sustainability, responsible ownership and accountability to supporters. Some clubs live beyond their means. The 2011 CentreForum report, *Football and the Big Society*, drew attention to the fact that several clubs were operating at a loss. Two significant issues were the financial solvency of some of the benefactors keeping clubs going, and these benefactors' general suitability. Portsmouth FC has been mentioned by the noble Lord, Lord Addington. It ended up in administration with unpaid debts of £108.6 million, including £17 million owed to HMRC.

Beyond the Premier League in wider football issues, the Culture, Media and Sport Select Committee has raised serious concerns about the overall governance of the sport, especially in the context of increasing commercialisation, a lack of adequate financial regulation and significant financial risk-taking. In its *Football Governance Follow-Up* report published earlier this year, the committee states:

"We see little evidence that clubs will spend significant amounts of the funding available from the latest broadcasting rights settlement on increasing their sustainability rather than on players' salaries and transfers".

The committee also questioned how the new regulations on financial fair play would be enforced. Commenting on football authorities' responses to proposals for reform, John Whittingdale, chair of the committee, said:

"While some progress has been achieved, much greater reform in football is needed to make the game inclusive, sustainable and driven from the grass roots, where it should be ... the financial risk-taking by clubs is a threat to the sustainability of football as a family and community-orientated game, which it should be".

That last point is important because it goes to the heart of what support and allegiance to a football club is all about: the links and relationship to a club's fan base and the club's place in, and contribution to, the local community.

Of course, many football clubs have long-standing community engagement programmes and activities that are broad and inventive. For example, football is used to encourage participation in physical exercise, to contribute to a healthy living agenda, to promote community cohesion through initiatives that bring people together, and for tapping into interest in football to encourage young people to take up modern languages

[BARONESS YOUNG OF HORNSEY]

and so on. But, arguably, community engagement goes beyond developing and implementing specific projects. It is an ethos—an embedded practice that should inform the way in which a club relates to its supporters and local communities throughout its business. In *Football, Ownership and Social Value*, Supporters Direct stated that increased “ticket and kit prices”, along with a,

“sense of being ‘fleeced’ at every opportunity ... have priced many out of the ‘people’s game’”.

The impersonal relationship, the cost of supporting a super-club and the influence of TV contracts on the timing of matches have put off many, especially families, from following FA Premier League teams.

Football has done much to tackle racism on the pitch and on the terraces, and homophobia, but still there is a huge amount to do. I hope that my noble friend Lord Ouseley will speak later on how progress is being made on tackling racism and other forms of discrimination. It is noticeable that although the women’s game is growing in popularity—in spite of a recent, temporary setback—and British-born players of African and African-Caribbean descent are gracing pitches throughout the country, when we look at managers and coaches and scan the faces in boardrooms throughout the game we do not see any of this diversity reflected. That problem needs urgent attention.

When we shell out for our tickets, we do not do so because we want to buy into a business plan or profit margins. Anyone who knows the joy and pain of supporting a football team knows that we support it because of the close relationship between the club’s history and heritage, in its values and ethos, and those of our own as fans.

12.23 pm

**Lord Wei:** My Lords, I join my fellow Peers in congratulating my noble friend Lord Bates on securing this debate. Amid a summer of sporting success, it is only right that we turn to football, a sport whose Premier League has become truly world class over the past two decades, even though as a nation we still eagerly look forward to a World Cup breakthrough to add to our recent tally. I shall focus on how we balance the interests of increasingly international club shareholders and owners in the Premier League with those of the nation at large and the communities and economies that they are linked with locally, and why it is of benefit to us all to do so.

We cannot ignore other aspects. Investors and new club owners, combined with the boost from commercial television and advertising income in these past decades, have presided over the professionalisation and increased global prominence of clubs that we could only have dreamed of when the sport was invented, making the experience whether on or off the pitch, at home or in the pub, that much richer. At the same time, footballing history reminds us that clubs initially were formed to provide a social function enabling local communities to enjoy leisure and fitness, and to build character. They acted as a linchpin of local society and local economy.

Today, there is huge potential for global football brands to further benefit the UK economically. I declare here an interest as a Manchester United supporter and as a non-executive director of the Manchester-China Forum. When conducting a survey for *A Report on Growing East*, which I recently co-authored, we identified how in China, Manchester is most closely associated with football, and that opportunities for promoting the city among Chinese investors and companies abound when the clubs and local promotion agencies can work together and co-ordinate their efforts. The very international nature of football today is able to not only bring investment but create relationships of a global nature that enable and fuel growth in our cities to help them develop trade, tourism, retail and infrastructure, thereby creating jobs.

At the same time, that very international nature brought about by foreign ownership and involvement is a huge benefit to the culture of many of our cities and towns, making them more diverse and interesting both on and off the pitch. Racism, which has historically been a scourge in football, has moved on significantly as a result of having players and supporters represented in our Premier League teams from all over the world and joining forces through campaigns such as that run by Kick It Out. Some would say that this has brought disadvantages in that local British players do not get as much opportunity to play in season. I have to disagree, because we cannot protect our British players from global competition since ultimately it will make them more competitive. However, we could do even more at the national level to identify and nurture a truly great set of national teams.

At this point, the debate over the national interest and the ownership of major football clubs in the UK can sometimes reach fever pitch. If we look at other sports where we have seen successes recently, they have come overwhelmingly from taking an increasingly scientific approach to developing individuals and teams, with lots of resources being put into growing a strong pipeline of competitive athletes. The onus is on the country or the national team to develop this, not always on the local club or association.

Similarly, in the UK we need to borrow from international influences and follow Germany’s example by vigorously bringing the youth development of players back into the centre rather than relying solely on our Premier League clubs. We could add a British free-market twist and charge clubs if they want to buy some of those players, developed in a national pool, for their squads. That would help pay back the nation for investing in them. Indeed, the young people themselves could be invited to agree to pay back from some of their future earnings, should they enter the Premier League and earn above a certain threshold. That could assuage concerns about the high salaries that footballers receive. Germany has 1,000 part-time scouts and qualified coaches looking everywhere for the talent it needs for the future. We ought to invest to a similar degree now that St George’s Park is in place and not rely primarily on clubs to do all the work, except to provide the market mechanisms to help make this endeavour sustainable.

I want to look at how this balance between foreign ownership and local needs plays out through an aspect that unfortunately is sometimes overlooked, but which is of the utmost importance: the role of fans. In recent years, there has been much talk and a few examples of exploring how fans could theoretically come together and buy out their clubs, in part or in full, to create structures more akin to that of Barcelona in the UK. I am very much in favour of such arrangements but we need to be realistic and perhaps opt for more partnership arrangements, in which fans could come together via a trust that would take a significant stake with voting rights—as with the John Lewis Partnership. This would still allow new investment to come in, yet give fans more of a voice. Ultimately, it seems to me that the Premier League model should complete a shift away from live spectator fees being the main driver of income for clubs to what is already starting to happen: having advertising and satellite viewing fees, combined with diverse merchandising income from all around the world. Fans who have a stake in their club financially would have a greater incentive to help generate followers and fans both in the UK and globally, creating a virtuous and, hopefully, less debt-fuelled circle.

In this regard, can the Minister say what plans there are in this area and whether any legal incentives could be put forward to make it easier to put such fan-led shareholder arrangements into place? With such ownership we could start to see a more holistic set of activities which many of the best Premier League clubs already engage in, but which can be hard to maintain, given financial and commercial pressures, and thus develop the social and cultural fabric of the local community. I will not go into the countless ways that clubs already get involved in helping local causes. My personal favourite involves clubs agreeing to host mental health and job clubs for men, who traditionally find it hard to admit that they have challenges in these areas, but will turn up to an activity at a football ground. Given that clubs are not used that much for games on weekdays, there is huge scope for them to be leveraged further for public and social benefit, such as through the successful aforementioned Premier Skills initiative.

Given these and many other examples, it strikes me that we ought to be looking at mechanisms whereby we can harness global football grounds for local benefit on the investment front. Where we do that already, we help to improve citizen well-being and save public money, and club money as well. Could we one day see impact bonds that would create, in partnership with clubs, their fans and stakeholders, ways to help save money locally while creating jobs and fostering well-being in citizens? Promoting cities for trade through clubs, a football investment bank, incentives and support for fans to jointly own their clubs and more partnerships to leverage football brands for social and public benefits are brief examples that demonstrate how, with a little creativity and leadership, foreign ownership of clubs and the local and national benefits from the Premier League's international nature do not have to amount to a zero-sum game. Get the balance right, and we all win.

12.30 pm

**Lord Faulkner of Worcester:** My Lords, I, too, am delighted to congratulate the noble Lord, Lord Bates, on securing this debate today. I should remind the House of my football interests. I am vice-president of the Football Conference and of Level Playing Field and am vice-chairman of the all-Party Parliamentary Football Group. I also declare that I am the occasional recipient of hospitality from the Football Association at its matches at Wembley.

The noble Lord, Lord Bates, and other noble Lords are right to draw attention to the immense success, in economic terms, of the English Premier League. I want to draw the House's attention to a slightly separate aspect and make the point that this success has not been without controversy or consequences for the governance of the game and for the England national team. Two weeks ago, the *Guardian* published the results of an investigation into the number of English players performing at the highest level. Their findings, which relate to last season, show that only 189 English players featured in the Premier League and that as few as 88 of them appeared in more than half the matches. The top four Premier League clubs used only 29 English players between them. That is in contrast to top European leagues abroad. In Spain's La Liga, for example, there were 332 Spanish national players, making 6,391 appearances in the season.

The absence of English footballers playing at the highest level is having a serious effect on the ability of the England national team manager to put together a credible side to compete in international competitions; a point which perhaps the noble Lord, Lord Wei, was referring to obliquely when he talked about the need for success at national level. The problem is particularly acute with young players. The England under-21 and under-20 national teams finished without a single win in their respective European Championship and World Cup finals this summer. A report in the *Guardian* on 12 July quoted Gary Neville, who is the national team assistant as well as a respected pundit on Sky, to suggest that,

“English football has reached a ‘tipping point’ with youth academies at the Premier League's elite clubs flooded by foreign recruits and short-term demands in the domestic game effectively blocking the progress of local talent into the first team”.

Neville contrasted the situation with Barcelona, a club that he said,

“have seven or eight players who have come through their academy”.

The commercial success of the Premier League has also opened up the problems of governance within the Football Association. As the noble Baroness, Lady Young, mentioned, the Culture, Media and Sport Committee in another place has published two reports into domestic football governance. It concluded in both of them that the FA,

“was in need of urgent reform”.

In the second report, the committee said:

“We were concerned that the leagues—and the Premier League in particular—had too great an influence over the decision-making processes of the Football Association”.

The football authorities responded to the report with proposals for reform, which the select committee said,

[LORD FAULKNER OF WORCESTER]

“failed to go far enough in addressing the crux of the governance problem ... the structure of the Football Association led to delegation of too much responsibility away from the Main Board and towards committees dominated by the Premier and Football Leagues, and they also failed to provide the greater financial stability that the game needs”.

That was not for want of trying on the part of the recently retired chairman of the FA, David Bernstein, who not only brought stability to a much troubled organisation in the two and a half years he was in the job but struggled heroically, albeit ultimately unsuccessfully, with these issues of reform. It is an open secret that he largely shares the views of the Select Committee, including the conclusion in the summary of the second report, which said:

“We recommend that the DCMS make it clear to the football authorities that further progress on these issues is expected within twelve months. In the absence of significant progress, the Government should introduce legislation as soon as practically possible”.

It is remarkable that a Select Committee with a government majority should come up with such a radical report. I assumed that the Government would respond by thanking it politely and then burying the report.

However, that was not so. Hugh Robertson MP, the Minister for Sport and Tourism, responded by letter on 30 April this year, saying that he agreed with the committee’s recommendation that, in the absence of significant progress with a licensing system for clubs, the introduction of a representative and balanced board and improved spectator engagement at club level,

“by the beginning of next season, we should seek to introduce legislation as soon as practically possible”.

He went on:

“I have already been given drafting authority by the Parliamentary Counsel, and my officials have started working up a draft Bill and supporting documentation, should football fail to deliver. This Bill will reflect the conclusions of your report”.

That is fighting talk. Perhaps the Minister will tell the House how the Government will determine whether football has delivered and whether they will publish the Bill in draft form and submit it to scrutiny by both Houses. How likely is it that the Bill will contain proposals for a regulatory authority, and for the establishment of a levy on those bodies in football which can afford to pay, so that organisations which currently receive funding from the Premier League will continue to do so? Will the Bill tackle the effect of the Premiership’s economic power on the rest of the game?

In my last minute, I will raise one further matter. The noble Baroness, Lady Grey-Thompson, gave evidence to the Select Committee on Olympic and Paralympic Legacy on 3 July. She contrasted the provision of facilities for disabled supporters at the Olympic and Paralympic Games with the situation in most Premiership football grounds, which she described as,

“pretty shocking if you are a wheelchair user”.

She went on to say:

“There is a large number of clubs who do not allow disabled people to buy season tickets; they can be given tickets in one out

of every three games, which means you cannot complain about your sightline, your accessible seating, toilets or whether you have to sit with away fans or home and away fans together”.

In response to questions, the noble Baroness agreed with the noble Lord, Lord Moynihan, that it should be illegal for football clubs to discriminate on the basis of disability and agreed with his analogy of clubs having to comply by law with safety requirements in providing disabled access. Does the Minister agree with that finding?

12.37 pm

**Lord Watson of Invergowrie:** My Lords—

**Lord Ouseley:** My Lords, I pay tribute to the noble Lord, Lord Bates, for initiating this debate and enabling the very interesting contributions that we have already heard on the Premier League and its contributions to our society and in a global context. From the outset, I declare an interest as the chairman of Kick It Out, which was set up in the second year of the Premier League. I also pay tribute to the noble Lord, Lord Faulkner of Worcester, for the contribution he made in supporting the start-up of Kick It Out through his work at the time with the Football Trust, which has been superseded by the Football Foundation, of which the noble Lord, Lord Pendry, who spoke earlier, is the president.

Kick It Out was set up at a time when racism was rampant not only in football but on the streets of Britain—1993 was the year that Stephen Lawrence was murdered. Football’s reputation was clearly in the gutter at the time, so it was very important during the Premier League’s second year that notable figures such as David Dein, who was at the Premier League at the time, took an interest in the formation of Kick It Out and supported the Premier League in joining the Professional Footballers’ Association and the Football Association in enabling the challenge to racism, and to other forms of unacceptable abuse that were going on in football, to be taken up and supported.

I suppose that the Premier League owes its creation to many visionaries, who are probably all queuing up to claim credit for it. In addition to David Dein, I mention Greg Dyke, the current chair of the Football Association. He had the vision, way back when he was at London Weekend Television, in collaboration with others, to enable the formation of the Premier League, which has led to the successes that we have heard about. The noble Lords, Lord Bates and Lord Wei, and others have mentioned that success very eloquently.

With all its achievements and its high profile, there is an inevitable elitism about the Premier League. However, it is counterbalanced—which is really what I want to talk about—by admirable community programmes, some of which have been mentioned already, which the Premier League sponsors. With a focus on vulnerable young people and deprived communities, its contributions have been crucial for good community relations and social cohesion, but there is much more that could be done and must be done if we are to stimulate the next generation of young players, supporters, administrators and volunteers to be part of a sport that should be seen as a source for

good, not just in the context of the riches it generates and the global position it holds but how it influences particularly the next generation.

That is an area in which I am most concerned that football must do more, particularly in boys', girls' and disabled football. In this regard, the programmes that support the mentoring, education and upskilling of individuals will be vital to freeing the game from racist, sexist, homophobic and Islamophobic abuse, harassment, bigotry, prejudice and other forms of unacceptable behaviours and attitudes. We have heard of the transformation that has taken place during the past 20 years, but all those features still exist in English Premier League football and, indeed, right across the football terrain.

The Premier League's programmes generate partnerships of joint funding. We have heard already of Premier Skills English with the British Council. There is also Premier League Reading Stars with the National Literacy Trust. Its Kickz programmes, in partnerships with the police, have attracted universal acclaim, with benefits for thousands of vulnerable young people. Its current pride and joy is the Creating Chances programme, which has attracted some 4 million young people who attended projects during 2011.

In spite of all the deserved acclamation, there are feelings that the relatively poorer sections of our community are unable to afford to go to Premier League football matches. In fact, they pay a disproportionate amount of their income in trying to sustain their interest in the Premier League. Their BSkyB contributions, as they go up, compete with the need to put bread on the table for their families and to deal with their essential costs of rent, transport and fuel against a background of decreased earned income. Such resentment is understandable when it is known that many Premier League clubs pay their players considerable sums of money that can only be dreamt of by the fans. Agents take huge commissions. An increasing number of clubs are foreign owned, and many carry huge debts, as we have heard, with their foreign owners bailing them out. Without that bailout many would be insolvent. There are different realities at play here.

While the Premier League continues to grow as a dominant force, it must never be overlooked that football's past, present and future development in England relies on the responsibilities and duties of the Football Association, the oldest national football association in the world, currently enjoying its 150th year of existence. The FA is the national governing body for football in England, charged with running grass-roots football for the 7 million individuals who play the game across the country, with 32,000 clubs and 113,000 teams affiliated to local leagues in a variety of ways. The FA also relies on more than 400,000 volunteers, 300,000 qualified coaches and 27,000 trained referees to facilitate and enable participation in and enjoyment of football being played regularly across the country. I will not list the many achievements attributed to it, as time is running short.

Following a summit convened in 2012 by the Prime Minister about racism in football, the FA launched last December the English football inclusion and anti-discrimination action plan with the full support of the

football clubs, the leagues, the PFA, the League Managers Association and Professional Game Match Officials Limited. One of the main goals of the plan is to widen football's talent pool for coaching, refereeing, licensing tutors, adjudicating and decision-making. For football to achieve its diversity and equality goals will require all administrators, decision-makers, managers and power brokers in the game to accept personal and professional responsibility to pursue the right actions to achieve the equality outcomes. The present composition of boardrooms, senior management teams, coaching teams and administrators in the authorities and in the clubs illustrates that there is a long haul ahead to take the next generation of fans and players to a point when it can be seen that all forms of bigotry, discrimination and hatred in the game have been eliminated.

12.45 pm

**Lord Watson of Invergowrie:** My Lords, I begin by apologising to the noble Lord, Lord Ouseley, for trying to jump the queue a few moments ago. My enthusiasm must have got the better of me. I also congratulate the noble Lord, Lord Bates, on securing this debate, but perhaps I can ask him rhetorically why he did not get together with my noble friend Lady Jones of Whitchurch to combine this debate with the one taking place later today on the contribution of the arts to the educational and emotional well-being of society. I think the two could have been put together and, as I cannot be here to participate in that debate, that would have served my own interests as well.

It is perhaps appropriate that I talk of serving one's own interests, because that really was the basis on which the FA Premier League was started in 1992—there are no two ways about it. It was a breakaway from the Football League on the basis of seeking a greater share of television revenues and getting more of that for the top clubs. It is unfortunate that that kind of hubris has also manifested itself in the very fact that the competition is now called "the Premier League". I am sorry but it is not the Premier League. The Premier League was formed in 1988, and in 1998 in Scotland. When the FA was formed in 1863, it had the right to call itself that because it was the first in the world, and when the Football League was founded in 1888, it was the first in the world to have that title, but "the Premier League" is not a title that this organisation has the right to use, and I wish that it would not use it. None the less, I think that is symptomatic. The organisation was formerly called "the FA Premier League" when it started, but the hubris to which I referred earlier has led to a break with the FA and a difficult relationship between the English Premier League, as it is referred to by all people outside England, and the FA. I think that has to be recognised.

I turn now to the specific subject of this debate, the question of the economic and cultural contribution to society of the English Premier League to the United Kingdom—the international aspect is different, and I will say a bit about that in a moment. The Premier League's contribution is self-evident. Of course it is there; that is absolutely clear. A classic example is Swansea City, a club that got into the top level for the first time, I believe, in 2011. In that first season, a

[LORD WATSON OF INVERGOWRIE]

university study showed, it brought about a £58 million boost to the local economy of Swansea and the surrounding area. That, perhaps, is not surprising when you consider that, given where Swansea is, people who travel there for games probably stay there overnight and spend a lot in the local economy. There are many other examples of that, and it is very much to be welcomed. Swansea City is an interesting example because in 2003 that club had to win its last game of the season to avoid dropping out of the Football League entirely. Of course, it did win, and eight years later it was in the English Premier League, which I am very pleased about.

However, 20% of that club is owned by a supporters' trust. It is the only English Premier League club that has supporters' trust ownership of it, and it has a director on the board as well, which is important. To some extent, I declare an interest in two supporters' trusts—not in the English Premier League—one in Dundee United, ArabTRUST, of which I was a founder member, and, in AFC Wimbledon, the Dons Trust, of which I am also a member. I would like to see more of that kind of ownership, as is the case at Swansea, with other English Premier League clubs. I know that it is difficult because they are much bigger than the Dundee Uniteds and the AFC Wimbledon of this world, but it is possible and I hope that clubs will look at some means of doing that.

The way in which the clubs have developed in the 21 years since the English Premier League was formed is in some ways unfortunate. Unlike the noble Lord, Lord Bates, I have not welcomed the international ownership. He said that he is an internationalist. I am certainly an internationalist, but it has not always been for the benefit of clubs in England that some international owners have come in clearly knowing little about the clubs, the fans and the traditions, and sometimes knowing little, it would seem, about football. Blackburn Rovers is a classic example of that. It was a mid-range Premier League club. It had been in Europe. It had won, I think, the league cup under Graeme Souness, and it was doing reasonably well without ever seeking to repeat its feat in the mid-1990s of winning the championship. At the end of last season, having dropped out of the English Premier League last year under, I believe, Indian ownership, it very nearly went into the league below, but it just escaped doing so. That, I think, is down to bad management. The example of Portsmouth to which the noble Baroness, Lady Young, referred, is well known. Now run, incidentally, entirely by a supporters' trust, it has gone from the English Premier League to the fourth tier at League Two in four or five years. I pay tribute to the Portsmouth MP Penny Mordaunt, who has played a heroic role in saving that club and ensuring that the supporters are now able to run that club and, I hope, build it back up again. With the support base of Portsmouth, I see no reason why it should not rise up again fairly quickly. That is another example of fan involvement, which is very important. The role of an organisation called Supporters Direct is absolutely fundamental. It supports supporters' trusts at all levels of the professional and semi-professional game. Much of what it does goes unrecorded.

Touching on points made by the noble Lord, Lord Addington, and my noble friend Lord Faulkner of Worcester about the international aspects of the English Premier League, I think it is incontestable that it has been damaging for the English national football teams—I use the plural deliberately. The noble Baroness, Lady Young of Hornsey, mentioned the women's team; although not directly related to the Premier League, it had a rather bad experience last week as well. At all levels, the English teams are certainly underperforming.

Since the English Premier League came into being 21 years ago, there have been five World Cups and six European Championships. Germany has been in four finals, Italy four, Spain three and France three—England has not reached even a semi-final. That cannot just be coincidence. Equally, on the performance of clubs since the English Premier League came into being, in the 21 years before it started England was the best and most successful country in Europe. Since the English Premier League came into being, England is the third most successful, behind Italy and Spain, in terms of wins and places in European finals.

Is the Premier League the best league in the world? It is the best league if you look at the worth—the TV deal. It is a little unfortunate that the recently ennobled noble Lord, Lord Livingston of Parkhead, is not here because he played a major role at BT in getting a huge amount of money into the television deal that kicks in this season. In terms of worth, there is no doubt that it is the best in the world. In terms of excitement, that is subjective. My own view is that the Bundesliga in Germany is slightly better, but it is a very exciting league. The average crowds are 35,000 in England versus 42,000 in Germany, so it has some way to go there.

It comes back to the overall product that is available. Unequivocally, the number of foreign visitors who come to this country to go to an English Premier League match and then of course do other things such as shopping and going to the theatre is a real benefit. I am not denying that it is a success. We just have to remember how it was born and the ethos it has, which is not by any means always in the interests of fans or indeed clubs at a lower level within the pyramid.

12.52 pm

**Lord Lyell:** My Lords, what a treat this is. First, I thank my noble friend for allowing me the chance to express my passion in the afternoon. It is interesting that as we discuss the Premier League in England, one Scot follows another. The noble Lord, Lord Watson of Invergowrie, is a neighbour of mine. I declare an interest that I am patron of a magnificent club six miles from my home that is known colloquially as Atletico di Forfar. In our local newspapers, the *Forfar Dispatch* and the *Kirriemuir Herald*, no doubt next week it will say, "Loons mentioned twice in the House of Lords". We very much cherish the support of the noble Lord, Lord Hunt of Kings Heath, who will speak later.

My noble friend has included in his Motion the economic aspect of the Premier League. I have received much briefing and many figures have been bandied about as to the actual visitors who come to England to

watch the game. I recall the European Championships in 1996, when on wonderful summer evenings one would see football fans from all over Europe enjoying themselves not just in London but in great cities and towns throughout England, enjoying the very best hospitality and football and everything that is good about football in England—not just the Premier League.

As far as the economic aspect of the Premier League is concerned, it is also the worldwide audience, both with television and the opening up of satellite. Joined to that, anyone who looks at the accounts of the Premier League clubs will find that an enormous percentage of the revenue is from kit and what I call regalia. It is a major item in those clubs' accounts.

As for the tickets, I am not sure what is paid elsewhere in Europe but I know that the last time I, as a mean Scot, had to pay to go a match in London, it was £56. The team that my beloved team was playing was not purported to be in the top four so it was “only” £56. That is what I call “London rules”.

Taking the aspect of the players, your Lordships have spoken about the proportion of English players and international players. They are certainly la crème de la crème. I suspect that the Premier League in England has some of the highest quality, if not the highest quality, of players from all round the world in one league in one nation. As far as the managers are concerned, well, there are a good few of them.

My noble friend's Motion also mentions the international aspect. As a Scot, I do wish England the very best in 2014. As the noble Lord, Lord Watson, and myself will know, the TTIN syndrome comes into play here. It is nothing to do with Tintin, the cartoon character, but I always call it the “Third Thursday in November” of the odd years, when it is normal that we hear once again that Scotland has not quite made it to the final of the upcoming international championships.

**Lord Watson of Invergowrie:** Would the noble Lord, Lord Lyell, like to comment on the fact that as the Football Association celebrates its 150th anniversary this year, Scotland has been invited to provide opposition at Wembley Stadium next month?

**Lord Lyell:** Perhaps the noble Lord might be going. I have not received my invite yet. I probably will be at Station Park, Forfar, instead.

My noble friend's Motion refers to culture. I worry mildly about that. When I had more time to devote to sporting activities, having finally qualified as a chartered accountant under Scottish rules, I recall in 1967-68 large crowds singing happily, “We shall not be moved”. That was usually once their team was on top and they were putting a thumb to their nose at the television cameras and the great ones from the FA. I will not go into the culture north of the border. The noble Lord, Lord Watson, will know—the supporters of his club are known as the Arabs—that even in Dundee there is a religious aspect to it. Certainly, north of the border you have to be very careful what you do because the Scottish Government, I understand, are going to have cameras on the crowds, not just to hear the melodies you are singing but to lip-read the words you are using. I am not likely to do that at Forfar.

As far as the English Premier league is concerned, I find that wit, jokes and nice jests are very much appreciated. Indeed, my attempts at speaking foreign languages have been blessed by learning three particular phrases, at the grounds in England as well as abroad. One is, “New glasses”, another is, “White stick”, and the third is, “Guide dog”—normally aimed at any one of the three or four match officials. I can assure your Lordships that it goes down particularly well.

I thank my noble friend Lord Bates for introducing this debate because for me and, I suspect, the millions of spectators of the Premier League both here and around the world, football is fun. You can laugh, admire and commiserate but most of all you make lifelong friends. I support a club that is not in the top four. I was struck down in 2006 with a mild stroke. I spoke to one of the directors of this club and he said, “I am so sorry, are you desperately ill?”. Within one hour, you could not have got in through the door of my room because a vast bouquet had appeared. The card said, “From the manager and players of Everton Football Club”. There was a motto underneath, saying, “Get well, YB”—not standing for Young Boys of Bern, but “you something”—“We need you”. An hour later, another bouquet appeared from the youth academy to me, a mere supporter of that club. That is the link that binds us in the Premier League in England and, above all, what a marvellous job it does not just for economics but for relationships in England as well as all over the world.

I thank my noble friend and give every good wish to the Three Lions in 2014. As the noble Lord, Lord Watson, will know, the Lion Rampant still rules.

*1 pm*

**Lord Lipsey:** My Lords, perhaps I could begin with a declaration of interest—or rather, I am afraid, lack of interest: I am not very keen on football. I am a sporting person: I love cricket, I love golf, I love rugby, I have owned legs of jumpers, point-to-pointers, pacers and greyhounds. Athletics is lovely; I am looking forward to attending the para-athletics on Sunday—but I can live without football.

None the less—partly for that reason—I felt that I would like to contribute to the debate. Although I agree with many of the points made by noble Lords about football's contribution, there is another side to the case, and the House might like the opportunity to hear it. I thank the noble Lord, Lord Bates, for securing the debate, and we do have important common ground, because we agree that the Premier League has international economic and cultural significance. I shall not talk about the international aspect, but just on the economic aspect: yes, it is important, but we should not exaggerate. The total revenues of the Premier League amount to precisely one month's economic growth, even at the present anaemic rate. It is not as if it is a mighty source of economic prosperity.

I had not thought much about the cultural impact—although one cannot help reading about it—until a researcher for the Premier League rang me up the other day to conduct an opinion poll. I was quite comforted by that, because firms and other organisations only conduct opinion polls when they think they are in

[LORD LIPSEY]

deep doo-doo and want to do something about it. As the questions flowed, I felt myself more moved by the negative side of the Premier League than by the positive side.

One overriding overwhelming fact about the Premier League lies behind my dissent from the general enthusiasm for it today—the fact that it not only reflects but enormously magnifies one of the disfiguring sins of our present society: excessive greed. I will not go through all the cases that illustrate the greed of the people who buy up clubs on leveraged takeovers in the hope of making money, and then use them as instruments of profit, not of sport.

To give another example, I checked a website before the debate and found that tickets for Arsenal against Spurs were on sale for £285. It would take an adult on the minimum wage 45 hours to earn £285. Football used to be a melting pot, and its rituals were the privilege of every class, from the working people in cloth caps in the stands to the toffs in the boxes. Stanley Matthews got £15 a week, and tickets could be had for shillings and pence. Now, to go to a Premier League football match you need “loadsamoney”—or, of course, a mate or a business contact with a box.

That is reflected—although I do not necessarily blame them for this—by the greed of the players, and perhaps even more so by that of the agents. In economics we have a concept called economic rent, whereby people strip money from an organisation; large economic rents are generally regarded as rather a bad thing. Yet 70% of the revenues of football clubs go out in wages to the players. As a result, the clubs do not make much money, and as soon as they take more revenue, by putting up the cost of entry or by other devices, the agents and the players take the money from them. What sort of example does that set to our society? We are not even surprised when the *Sun* reports that a Premier League footballer has strayed from his wife, or been caught speeding in his very fast sports car. What example are we giving to young people, when the biggest rewards in society go to individuals characterised only by the gift of sporting skill?

To give another example, I hate it when a club changes its strip each year, putting the parents of young children under intolerable pressure to buy the latest strip for their kids—at the cost, sometimes, of things they really need to keep their homes going. How many Premier League players have gone through the hard work of studying for a degree? How many are out gays?

I do not criticise anyone who loves football; I am sure that it is a great game, even though I fail to appreciate it. But I dare to dream, as quite a lot of people do, and as those who, when Wimbledon Football Club went to Milton Keynes, dreamed of a new Wimbledon rising—AFC Wimbledon—and later realised their dream. I dare to dream of a Premier League stripped of its excesses, and therefore genuinely fit to hold its head high for its contribution to our national culture.

1.06 pm

**Lord Birt:** My Lords, let us hope that there is still time to convert the noble Lord, Lord Lipsey, at least to the pleasures of watching our beautiful game. I thank the noble Lord, Lord Bates, for allowing us to indulge our passions, and wish him luck with his super-marathon.

The English Premier League will be 21 next month. By any measure, it has been an outstanding success. In the 1980s I scheduled ITV at the weekend. Deeply conservative, the then Football League, fearful that live coverage would undermine match attendance, would only agree to the televising of a small number of recorded games. The appeal of football on television at that time might best be described as meagre. Now we have a league which is the envy of the world. It earns far greater revenues than any other—its broadcast income is nearly three times that of Germany's Bundesliga—and it attracts the world's best players. Week after week it offers the most exciting football. No other league wins such a gigantic global following. About 20% of the world's population regularly watch Premier League football.

Last year I trekked with my wife in Nepal, high up in the Himalayas, walking through villages with only limited and locally sourced solar and hydro power—villages scarcely changed in hundreds of years. Yet as we passed the kids were shouting out, “Wayne Rooney! John Terry! Steven Gerrard!”. Many foreigners do not just, as others have described, follow the Premiership on TV; they fly here in numbers to watch games in our stadia. I hear Icelandic and other languages, as well as Scouse, spoken in the crowd as I exit Anfield.

The Premier League has wonderful stadia, impressive community outreach, and ethnic and religious diversity in its squads and in its support, promoting greater community harmony. The founding principles of the Premier League were well considered, above all the relatively equitable split of broadcast revenues. This is in sharp contrast to La Liga, for instance, where Real Madrid and Barcelona take the lion's share of revenues and leave most Spanish clubs impoverished by comparison. For the Premier League—this is critical—the consequence is that on its day, any one team can beat any one other team. Last season, for instance: Norwich 1, Manchester United 0. That had Delia beaming. The noble Lord, Lord Addington, might not have seen the game, but no doubt he too noted the result with pleasure. Sunderland 1, Manchester City 0; and then there was Harry Redknapp, who had a miserable season but one great consolation prize: Chelsea 0, QPR 1. The strength and unpredictability of the league is an important reason for its national and global success.

As well as its well considered founding principles, the Premier League also benefited enormously from the effective and early development by Sky in the UK of satellite subscription services and from the high quality of coverage that Sky has provided.

What should concern us about the Premier League? First, it is too early to call it a trend, but we performed poorly in the Champions League last year. While an equitable approach to splitting revenue brings evident benefits, there is a case for favouring the stronger clubs

in the split of international revenues if they are to continue to compete with Europe's best. Secondly, we need to be watchful that the rules of financial fair play are enforced here in the UK and evenly across Europe. We need, for instance, to guard against sponsorship at above-market rates as a form of hidden subsidy.

Thirdly, the FA and the Premier League need to ensure the prudent stewardship of clubs, which are community, not just financial, assets. Clubs should spend only what they earn. They should not pile on unsustainable levels of debt. The fans of 115 year-old Portsmouth FC did not deserve the long drop to the fourth tier of English football, as the noble Lord, Lord Watson, reminded us.

Fourthly, in contrast to our club sides, and as many have observed in this debate, England's national team has disappointed—1966 is almost half a century away. We field teams containing world-class players but which perform poorly. Who here remembers—maybe we would like to forget—our leaden, lumbering 4-1 defeat at the hands of a young and fresh-faced but untried German team in the 2010 World Cup? In an era where we have seen our athletes and our cyclists shine, the FA and the Premier League need to work together to identify how English football can match those achievements and compete at top international level, as the noble Lord, Lord Wei, observed.

One contributing factor may be that our premier clubs can outbid other leagues for the best global talent, squeezing English players in the process. Perhaps I may add to some of the pungent comments made earlier by the noble Lord, Lord Faulkner: last season in the Bundesliga, 50% of squad players were German nationals. In the Premier League, the equivalent was far lower, at 37%. Fewer than a third of the players representing Premier League clubs in the Champions League last season were English.

While we should strive to do better still, let us give thanks, on behalf of the one-third of the population for whom the Premier League is a critical part of their everyday lives, for the intensity of experience that it brings us and, on occasions—and hopefully next season for me with Liverpool—for the sheer joy and jubilation.

1.14 pm

**Lord Hunt of Kings Heath:** My Lords, I speak as an occasional supporter of Forfar Athletic and as a season ticket holder of Birmingham City. The noble Lord, Lord Birt, talked about the joys. Supporting Birmingham City mainly teaches you to come to terms with the disappointments of life—except for one game against the Arsenal.

It is a great pleasure to take part in this debate. I have no doubt that the noble Lord, Lord Bates, is right that we should celebrate the magnificence of the Premier League. The excitement is clearly palpable; the statistics quoted by the noble Lord are indeed impressive. I have no doubt that he is right about the contribution that it makes to the image of our country and to its coffers. He is right, too, to celebrate some of the successes. However, there are also some downsides and I thought that some of the points put to the House by my noble friend Lord Lipsey were very pertinent.

I share with a number of other noble Lords real concerns about issues to do with governance in football that go beyond the Premier League to other league clubs as well. I commend the fantastic work in this area of Supporters Direct. Its concern is that so many sports clubs are being put in jeopardy because of vested interests, poor financial management and inadequate standards of governance. This has been backed up by the CMS Select Committee, which has done some magnificent work in this area. It has real concerns about the ownership of clubs and about the fact that the ability of league authorities to investigate ownership issues seems to be very limited and at risk.

The Select Committee found, for instance, that while the Premier League was able to invest more in procedures and specialist assistance to find out the identity of the ultimate owners of some of the clubs, the Football League was not in such a good position, relying only on information provided by the clubs themselves which is then checked against records in the public domain. Remarkably, neither league is prepared to provide to fans the information that it holds and put it in the public domain.

I mention this because it is extremely relevant to the plight of two clubs in the West Midlands. They are not in the Premier League at the moment—so I hope that the noble Lord will forgive me—but they have been and aspire to be again, although when is a matter of some conjecture. I refer noble Lords to Coventry City, who won the FA Cup, remarkably, some years ago. On Saturday, thousands of supporters marched through the city centre protesting at plans for the club to play its home games at Northampton Town, 30 miles away. No wonder the fans are angry at the contemptible way in which they have been treated by the club owners. I refer noble Lords to a debate in the other place on 12 March in which Mr Bob Ainsworth raised this issue and talked about the financial difficulties of Coventry City. He said:

“Five years ago, when it had lost its ground ... and most of its assets, the club was sold to the hedge fund Sisu ... Sisu specialises in acquiring distressed assets, and under Sisu the club's ownership is multilayered, opaque and partly offshore in the Cayman Islands”.—[*Official Report*, Commons, 12/3/13; col. 63WH.]

It is clear that the interest of supporters is right to the last as a priority.

My own club, Birmingham City, is owned by a holding company based in Hong Kong and registered in the Cayman Islands. We have a major shareholder, Carson Yeung, who is at the moment on trial in Hong Kong on charges of £60 million of money laundering. The holding company, Birmingham International Holdings, was censured by the Hong Kong stock exchange for breaching rules in September 2012. There have been major delays in presenting the audited accounts of the club. Very recently, the *Birmingham Mail* reported that the parent group of Birmingham City has been told to demonstrate its plans to sell the club or it will not be allowed to trade on the Hong Kong stock exchange again. Stock market chiefs demanded to know what plans Birmingham International Holdings Ltd had for the club and how it was going to deal with “management integrity concerns” regarding Mr Yeung, who, as I have said, is now standing trial for money laundering.

[LORD HUNT OF KINGS HEATH]

While this dreadful ownership problem has been going on, the club has been relegated, the players have been sold and there is real concern about the future. The supporters, who turn up through thick and thin—or thin and thin, as it sometimes is—seem to be considered least. They are the heart of the club yet they are treated with absolute contempt by just about everyone concerned. What are the football authorities doing about this? Can one turn to the authorities to intervene? The answer is no. They do not intervene and they do not disclose information about ownership. They do not seem to respond to the needs of the supporters at all.

What is the Minister going to do about Birmingham City? More generally, the Select Committee recommendations are right in relation to ownership and the involvement of supporters on the boards of clubs in the future. The Minister for Sport has made some excellent responses to this issue but the football authorities are completely unable to govern themselves. That has been staring us in the face for years. I do not want to see statutory regulation in sport but in relation to football they are not going to be able to sort it out for themselves. They cannot see that their interest, first and foremost, should be the supporters or the interest of the national team. I am afraid that the time has come for statutory regulation.

1.21 pm

**Lord Taylor of Warwick:** My Lords, I should like to add my thanks to the noble Lord, Lord Bates, for securing this debate. I am originally from Birmingham, which is renowned for its two leading teams, Aston Villa and Aston Villa Reserves. I am sure that the noble Lord, Lord Hunt of Kings Heath, will appreciate that. I declare an interest as a founder member of the Independent Football Commission, which helps to regulate the professional game. I am a patron of Aston Villa and I have enjoyed playing for the parliamentary soccer team and the Aston Villa former players' team, which plays for various charitable causes. The fact that for a week after playing in those games I found it difficult to walk did not detract from the pleasure of taking part in them.

I want to focus on the issues around diversity. The Select Committee's report, *Racism in Football*, recognised that, despite recent high profile racist incidents, progress is being made in tackling the issue. It referred to the Premier League working with organisations such as Kick it Out. I have had the privilege of presenting awards on behalf of Kick it Out before Premier League matches at Villa Park. I pay tribute to the work of the noble Lord, Lord Ouseley, and his colleagues at Kick it Out, which has been campaigning against racism in soccer for more than 20 years

The Premier League still has some way to go on diversity. There is currently still only one black manager in the Premier League: Chris Hughton at Norwich City. It seems a waste of talent and experience that great black former players such as John Barnes, Cyrille Regis, Viv Anderson, Garth Crooks, Les Ferdinand, Vince Hilaire, Ricky Hill and Luther Blissett did not get the chance to establish themselves as top managers.

With professional football employing more than 10,000 people in the UK alone, the issue of diversity is of growing importance and the Premier League has the resources to lead the way. In big cities such as Manchester, Liverpool and Birmingham, the population from which many of the Premier League clubs draw their fan base, and their youth team academy players, is increasingly from ethnic minorities. Yet the profile of the coaching, backroom, office and other staff employed by these clubs does not reflect the diversity of the cities they are based in. The noble Baroness, Lady Young, and the noble Lord, Lord Ouseley, referred to that point.

It is a proven fact that diversity brings to any organisation more creativity, vitality, different approaches and a wider customer base. So the clubs themselves are missing out. The Professional Footballers Association now has a very articulate black chairman in Clarke Carlisle. I hope that he will be able to help keep this issue alive as the Premier League continues to attract such worldwide attention.

There is an ongoing issue of Asians and their relationship with soccer. Thousands of young Asians play and watch the game around the country every weekend, yet there are only seven British Asian players in professional football. The most recent study revealed that there were only 10 Asian players at Premier League academies. That is simply not good enough. There are popular myths that Asians are interested only in cricket and hockey and that cultural differences remain a barrier to them playing in the professional game. However, Asian players such as Michael Chopra and Zesh Rehman have played in the Premier League and dispelled that myth. Perhaps more clubs need to follow the example of Chelsea with its Asian Soccer Star initiative and be more proactive in reaching out to that community.

About a quarter of those attending soccer matches are women and the number of women playing the game is increasing. We have just seen the World Cup in Germany and the European championships are taking place in Sweden as we speak. We now have the semi-professional FA Women's Super League, but many of its players struggle to get sponsorship. As the Premier League is awash with money, it could help the women's game to develop. The professional football awards started in 1973, but it was 25 years later, in 1998, and after a High Court action, that a female football agent, Rachel Anderson, won the right to attend the awards. That is surely disgraceful. It was another 15 years later, in April this year, that the PFA awarded its first ever Women's Player of the Year award to Kim Little. That is too slow progress.

The committee also found evidence of homophobic abuse. It highlighted the concern that, "too little practical action has been taken to address it".

This requires a campaign, directed at fans, players and managers, to challenge homophobic attitudes and behaviour. One remembers the tragic suicide of Justin Fashanu, who found life intolerable as a gay footballer.

The Premier League has been a global success and we have heard evidence about the revenues from television contracts. Soccer is about finance and romance. The noble lord, Lord Addington, used the word romance.

The Premier League attracts huge finances, partly through the undying love affair fans have with their clubs. It has the resources to champion diversity. In many ways it has won the financial game but it needs to do more to win the race in relation to diversity.

1.28 pm

**Baroness Brinton:** My Lords, I, too, thank my noble friend Lord Bates for initiating this important debate. The English Premier League and the clubs that comprise it have real cultural and economic significance.

Looking at the gender balance of today's debate, your Lordships' House might think that football was still very much a male preserve. I inherited my Southampton gene from my mother, who remembers cycling with her brothers to Southampton, by way of the Hythe Ferry, from her home in the New Forest during the war. My brother and I are season ticket holders and, if your Lordships' House did not have such a strict dress code, I might even prefer to wear my 125th anniversary shirt, to make my support even more visible. I am mindful of the point made by my noble friend Lord Taylor about the women's game. It is noticeable that most of the clubs in the EPL have been developing their women's game but it needs to go much further.

I will focus on skills, and the importance of developing the next generation of English players, so that perhaps we might once again hold up the World Cup. The statistics look worrying. In 1992 76% of the starting 11 in the top league were English. By 2009 it had fallen to 37%, and it rose marginally last year to 39%. Last year, Southampton and Norwich—which my noble friend Lord Addington will be pleased to hear—were the only two clubs with more than 60% English players. Fulham had the fewest, at 15%. No wonder we struggle to win games at the highest international level.

There are some shining examples bucking this trend in the Premier League, and Southampton is one of them. Indeed, it has a long history of developing its youth; I remember Mick Channon coming up through the youth team into the main team in the 1960s. Today's Premier League stars who are graduates of the Saints academy are Gareth Bale, Theo Walcott and Alex Oxlade-Chamberlain. More recently, I have delighted in watching James Ward-Prowse and Luke Shaw, both of whom have been with the club since they were eight years old. Southampton's Football Development and Support Centre is unusual in professional football in that it looks after pre-academy, academy and professional squads together at Marchwood. It is particularly important because it provides a seamless pathway that supports young players from the age of eight right up into the first team.

Southampton currently has the enviable position of being the supplier of the highest number of players to the domestic international squads, particularly England, over the past season. We have had an England player selected for every competitive squad, from the under-17 squad to the national team and the Olympics.

For me, what is impressive is the satellite academy at Bath University, also unique in the academy system in football. Bath's global expertise in sports medicine, psychology and technical performance is balanced by

Saints' long experience in growing its own talent. I believe that it is a groundbreaking model that should be not only protected but duplicated in the wider game.

The English Premier League academy courses are rated by Ofsted as outstanding, and are all deemed to be one institution. We should celebrate this fact. Southampton academy scholars have a 100% pass rate, achieving predicted or even better grades in their formal exam results. Through the Bath academy, they are given the opportunity of three pathways: academic, including degree courses at Bath or elsewhere; vocational, learning to coach; and football, via the Southampton academy, and a chance of playing with other professional or semi-pro clubs. This is vital because, as I am sure your Lordships are aware, very few will make it to the top flight. The *Daily Telegraph* said in 2009 that fewer than 10% of those,

“who join a Premier-ship academy will ... make it into the first team. Most won't even become professional footballers”.

Southampton's principles are to develop those young footballers to their full potential but also to ensure that alternative routes are available to them, which they will need at some point in their careers, whether at the age of 18 or 25 or when they retire as players. They will have important and relevant skills that ensure that they will not be on the scrapheap. To pick up on my noble friend Lord Taylor's point, it will also provide the next generation of black and ethnic minority managers in the English Premier League.

I want to speak briefly of another important economic aspect of English Premier League clubs, and that is, to use the title of the EPL report, *Using the Power of Football to Positively Change Lives*. It is not just about enabling youngsters to participate in football in their communities, although that is important. There are many projects where those heading for offending or disengagement have a chance to rethink and develop themselves in ways that they did not think possible. I was particularly impressed with the English Premier League's scheme to take young boys to northern France to visit the battlefield sites, combining that with playing football at the same time, giving young lads who have come from backgrounds where offending might be a real possibility in future to think more broadly about the sacrifice that our grandfathers and great-grandfathers made.

Andrew was one such person from Southampton, who had a real problem with his start in life. When he started with the Kickz programme, which is one part of the Southampton foundation, based in an antisocial behaviour hotspot, his youth inclusion officer and local police constable agreed that he was hard to engage with, did not respect the police and had serious anger management problems. Through the programme, Andrew has learnt to channel his anger. His inclusion officer has said, “A spark came alive in Andrew that made him want to achieve and go further in his life”. Using football as a vehicle, Andrew has turned his life around and is now working towards going to university.

Throughout the English Premier League, there are many committed and excellent clubs and staff training the next generation of outstanding footballers. Just as important are the initiatives to support those who do

[BARONESS BRINTON]

not make it into other roles and those for whom football can turn around their lives. Each of these strands is vital to our economic well-being, both in our clubs' local areas and nationally, and I am proud to say that my club, Southampton, leads the way in all three.

1.34 pm

**Lord Graham of Edmonton:** My Lords, it is a joy and a pleasure to take part in this debate. Like everyone else, I congratulate the noble Lord, Lord Bates, on securing this debate. It provides me with an opportunity to marry together two of my passions: football and the Co-op.

I take myself back to a date in 1948 when I was standing at the general office counter of Newgate Street Co-op. It was dividend day, and paying out the dividend in Newcastle, as in many other cities and societies, was a very big day. There were queues, and I was there in a line with 10 other colleagues paying out the dividend. All of a sudden I looked up and there in front of me was Jackie Milburn, who of course was, like Wayne Rooney, or whatever name you care to conjure up, a god on Tyneside at that time. He stood there, and my colleagues acted almost as if it was the gunfight at the OK Corral; they waited to see what would happen next. I said, "Mr Milburn, can I help you?". He said, "Yes". He pushed his passbook through the counter and said, "How much can I get on this?". I looked at it and said, "I'm sorry, I can't pay you anything". He said, "Why not?". I said, "Because it's in your wife's name and you must have an authorisation note". "Dear, dear, dear," he said. I said, "Look, there's a form. Get her to sign it and come back tomorrow; it's not your day tomorrow, but I'll pay you then". He did, by which time everyone in the general office knew what was going to happen. He pushed his passbook through and said, "Well, I've come back. How much can I get?". I looked at it, and there was £7 and 17 shillings in it. I said, "You must retain three shillings for your membership. I can pay you £7 and 14 shillings". He said, "That's a week's wages".

In 1948, the rigid rule was that if you played for a first team in the First Division you got £8 a week, and in the off season you got £6 a week. I paid him his money and, as he was going away, I said, "Mr Milburn, you and I know that one of these days Newcastle is going to get to the Cup Final at Wembley". He said, "Yes, we are, one day". I said, "I'd like to be able to write to you and ask you for a ticket, if you can get me one". He said, "You do that, bonny lad". If someone calls you "bonny lad", you know that he is a Geordie. I said to myself, "I've got a chance".

In 1951, Newcastle got to the final. Incidentally they won, as they did in 1952 and 1955; they won three times in five years. So off goes my letter to Jackie Milburn, and I said, "Dear Mr Milburn, you might remember me as the lad who paid your wife's dividend. I enclose a postal order". The postal order was for three shillings, 15p, for a standing ticket at Wembley. Three days later, an envelope dropped through my letterbox with the Newcastle logo on it. Inside was my

postal order, my stamped addressed envelope, a three-shilling ticket and a compliment slip that simply said, "From wor Jackie"—Tyneside for "our Jackie". He was owned by the town.

That is an illustration of me being known as football daft. I remember being on my dad's shoulders at the Gallowgate end in 1933, when I was seven. He took me there when Hughie Gallacher, who was one of the main people then, returned while playing for Chelsea, and there was a great crowd.

When I used to go round Edmonton schools, I always had a trick. Some time in the talk I would say to the boys and girls, "Hands up those who support the Spurs". Half the class would put their hands up. "Hands up those who support the Arsenal," the other half put their hands up. They always used to say to me, "Mr Graham, who do you support?" and I would say, "Newcastle United", and they would all boo. They had learnt how to be passionate about football, and they still learn.

It is about time the Government took their courage in their hands and did not listen to people like me who always tell them their priorities are wrong. We are waiting for them to set up a Select Committee, an interparliamentary committee, a Royal Committee or whatever. I know, and noble Lords know, that we are not governed by the British league or the British system—it is a global system now—but it is ridiculous that one man performing well commands £250,000 a week for playing and jibs at accepting that because he thinks he can get a little bit more. There ought to be some rules and regulations governing the size of transfer fees and level of wages. It will not be easy. It always puzzles me that people are willing to starve themselves, if what we hear is correct. I asked Lee, my driver who brought me in this morning and supports Spurs, how much he paid for a ticket the last time he went to Spurs. He said £50. He said if he was to take his two children with him it would be £100. The ordinary fan cannot find £100, but the ordinary fan does and is prepared to pay a lot more. They ought to be stopped from ruining an aspect of the game. I am over my time. I will sit down now.

1.42 pm

**Lord Stevenson of Balmacara:** My Lords, I congratulate the noble Lord, Lord Bates, on securing this debate, which I hope has lived up to his expectations. Certainly we have had fantastic contributions from all round the Chamber. Any debate which attracts my noble friend Lord Graham to speak must be judged a success.

The Premier League is the football world's leading revenue-generating club competition, with revenues last year of more than €2.9 billion. The nearest rival was the Bundesliga, with nearly €1.9 billion. It is a very successful economic entity. VisitBritain says that more than 900,000 football-watching visitors spent nearly £700 million attending games, so it attracts a wide amount of inward investment as well. It is an economic success and one that can be built on and developed. The Premier League can genuinely argue that it provides huge social, economic and cultural benefits to the UK and, as we have heard, it is a major soft-power element. The noble Lord, Lord Bates,

mentioned the link with the British Council, and with football being a global operation this will be increasingly important as we go forward. There is much to celebrate but, as we have heard, there are a number of concerns. They are about long-term financial sustainability, the effectiveness of diversity policies, the way in which the Premier League deals with its supporters, whether sufficient money is reinvested in grass-roots football, how talent is developed and how communities which support clubs are to be supported as they go forward.

As my noble friend Lord Faulkner said, the success of the Premier League comes with some downsides: for young talent, for the other leagues engaged in the game and, of course, for the national team. Then there is the matter of the DCMS Select Committee report on governance and related matters in July 2011 and the Government's response, which was presented to Parliament as long ago as October 2011. As has been said, it is not for the Government to run football or indeed any other sport. Sports are best governed by modern, transparent, accountable and representative national governing bodies able to act decisively in the long-term interests of the sport. That is not what we have here. As my noble friend Lord Faulkner pointed out, the Government are on record as saying that the DCMS Select Committee's report,

"lays out in stark detail the way in which the existing structures, governance arrangements and relationships have failed to keep pace with the challenges and expectations surrounding the modern game".

I hope the Minister will be able to enlighten us as to what is going on in this area.

We have a number of concerns about the way in which the current arrangements are set up. It must be important to ensure the long-term sustainability of the Premier League and, if that is to be the case, debt has to be brought under control. Financial fair play, which was referred to by a number of noble Lords, provides an opportunity for clubs to bring their spending under control. However, as it strictly applies only to clubs involved in European competitions, we will need to see continuing monitoring to ensure that loopholes are not being abused.

It is astonishing that Premier League net debt last year was £2.4 billion; £1.4 billion of this came from interest-free soft loans from owners. The huge level of spending in the top tier also puts pressure on the lower leagues to keep up. The Championship has a net debt of some £0.9 billion. That is worrying as the lower professional leagues have higher wage-to-revenue ratios than the Premier League and do not have the same level of income from broadcasting.

Several noble Lords raised the issue of wages. If wages are to continue to spiral out of control, particularly with increased TV rights money becoming available, the Premier League is surely in danger of perpetuating a culture of greed. The wage-to-revenue ratio in the Premier League was 70% last year. Of the big five leagues—England, Germany, Spain, France and Italy—only Italy has a higher ratio than this; the Bundesliga has the lowest ratio of 51%.

As the noble Lord, Lord Birt, reminded us in a very powerful speech, British football owes much of its success to the fans and the local communities that support the clubs. Therefore, it is only fair that any

increase in income for the Premier League ought to result in increases in funding for those who play—about 7 million people—at grass-roots level. Does the Minister agree that the Premier League should, at the very least, give 5% of its income from broadcasting rights to grass-roots sport, as it has committed to do, and ensure that there are mechanisms in place to make sure that is delivered?

Supporters are the basis under which all football and indeed, all sports operate. Clubs must be willing to engage with supporters' groups, particularly around issues such as ticket prices. In our 2010 manifesto we committed to making it easier for fans' groups to gain stakes in clubs. As my noble friend Lord Hunt pointed out, Supporters Direct is a really important organisation in this area and its financing needs to be sorted out. As we have heard, there are interesting and important plans for greater involvement of fans in football clubs and I would be grateful if the Minister could say what the Government are planning in this area.

On diversity, the noble Lord, Lord Bates, praised the diversity policies of the Premier League and there have been some notable successes but, as the noble Baroness, Lady Young, and the noble Lords, Lord Ouseley and Lord Taylor, pointed out, much has been achieved but much more needs to be and could be done in areas such as harassment, bigotry and homophobia and in ensuring diversity in all levels of the game, particularly in coaching, the backroom and boardroom. In that respect, I felt that the points made in relation to the women's game were very important and I hope that these will also be picked up. My noble friend Lord Faulkner drew attention to the unacceptable position of disabled supporters at many clubs, something which clearly needs attention.

To return to my opening point, I believe that the Select Committee report, as has been said, was a very good one in the range of issues it raised. It is interesting that when the Government responded in October 2011, they believed that there were three immediate priorities: "the creation of a modern, accountable and representative FA Board";

agreement to implement a licensing framework to be administered by the FA; and agreements to change the decision-making structures within the FA, particularly, "in relation to the Council".

The government report goes on:

"We expect the football authorities to work together to agree proposals, including plans for implementation, by 29 February 2012".

That deadline has of course passed. What is the timetable now?

Finally, the Government say that they are,

"fully committed to ensuring that the changes put forward by the football authorities make a lasting and substantive difference. If that does not happen the Government will introduce a legal requirement",

on the FA,

"to implement the appropriate governance clauses by the swiftest possible means ... the Government will seek to secure, using all available channels, appropriate legislation as soon as Parliamentary time allows".

Time has moved on. If that is not the current plan, what is plan B?

1.49 pm

**Baroness Garden of Frognal:** My Lords, I join in the thanks to my noble friend Lord Bates for the opportunity to debate the considerable contributions that the Premier League has made to the United Kingdom in its 21 seasons. I pay tribute to him personally for all he did for the Olympic Truce, and for his continuing, active support of charity and sport.

I mean no disrespect to Scotland, nor to the noble Lord, Lord Watson, nor my noble friend Lord Lyell, if my reply is focused on the English Premier League. It is easy, when considering the Premier League, to become ensconced in the passion: the league table, the transfers, the occasional controversy on or off the pitch, and the sense of community that supporters enjoy following the pinnacle of English football. Although for some it was controversial at its inauguration—a breakaway group of clubs striking out against the formative traditions of the sport—the league has come to be woven into not only our own culture, but that of over 900 million Premier League fans worldwide. It has even encouraged the participation in this debate of my noble friend Lord Addington and the noble Lord, Lord Lipsey.

There can be little doubt that the global profile, ambassadorial activities and work supporting overseas investment bring not only corporate benefits for the league and the constituent clubs, but a raft of broader benefits felt by the country at large. Premier League clubs drive significant tourism across the country, with an upward trend of fans coming to watch top-flight football. The league is supporting the “Great” Britain campaign, to which my noble friend Lord Bates made reference, with focal points for soft diplomacy across the world. In the past week alone, officials in Costa Rica, Vietnam and Bulgaria have been reporting back on the leverage that engagement with touring Premier League teams can provide. The Premier League also drives charitable initiatives abroad such as the Premier Skills programme, developing English language and social education through the medium of football.

The Premier League is, of course, just one tier of our domestic football programme. It is the height of league performance, and its profile extends to the far reaches of the globe. However, it is part of the bigger picture of the contribution that football as a sport makes to the UK. For example, the Department for Culture, Media and Sport, the Premier League and the FA jointly fund the Football Foundation, and have spent £780 million over the past 10 years, investing in grassroots facilities. The Football Association invests upward of £43 million each year in supporting the grass-roots game, as the national governing body. The noble Lord, Lord Pendry, made reference to this, and we recognise the match-funding that the Football Foundation attracts and the excellent projects it supports.

The Premier League-level investment in grass-roots football therefore provides a welcome addition, for which it should be commended. In the past month it launched a joint project with Sport England to expand two community programmes. Both the noble Lord, Lord Ouseley, and my noble friend Lady Brinton made reference to the Kickz programme, which will be expanded to get a further 30,000 young people from

disadvantaged areas into sport. Premier League 4 Sport, which has already engaged 60,000 young people, will now offer a broader range of sports while continuing to support the training of volunteers, competition delivery and qualifications in sport.

It is not just the financial support which contributes to the success of football at all levels. Across England, approximately 400,000 people volunteer in the delivery of over 140,000 football clubs and teams, many giving up innumerable hours to support their local community clubs. Many noble Lords have made reference to these activities and their contributions. Supporting the sport of football means, to many, far more than watching their home team, and has developed into a strong culture of volunteering.

That is not to say that the Premier League, and English football more widely, do not have their share of issues, some of which have been acknowledged here today. The noble Baroness, Lady Young, and the noble Lords, Lord Faulkner, Lord Lipsey, Lord Hunt and Lord Stevenson, all referred to governance issues. The sums of money reported in the business of football jar in the current economic climate. The will of the ownership is not always consistent with the wishes of the fans. The noble Baroness, Lady Young, made reference to possible revenue of £3 billion. This wealth should surely bring with it a share of responsibilities. The noble Lords, Lord Lipsey and Lord Graham, mentioned the cost of a ticket to see a match. This, of course, seems to contrast with the enormous wealth that the sport generates. The noble Lord, Lord Lipsey, raised concerns that 70% of the revenues go to the wages of players who may not all be the finest role models for the young.

Governance has been a concern to Members of both Houses for some time. As has been mentioned, a Select Committee has twice considered the matter. The Minister for Sport and Tourism has acknowledged their findings, and a response is expected from the football authorities. I am assured that this is a matter taken very seriously across government, and if the football authorities themselves cannot effect change then we have pledged to act. The Government will continue to press football for change but will move to legislate only if football cannot improve, as my honourable friend Hugh Robertson has indicated. The noble Lord, Lord Faulkner, raised considerable concerns about this. The Government will of course be working with the new chair of the FA, Greg Dyke; he has only been in post for two weeks, so it is perhaps early days to expect results, but I am sure he will be working on this too.

I thought that the noble Lord, Lord Hunt, made a *cri de coeur* for Birmingham City, but the Box seemed to think that it was also on behalf of Coventry City. It was both? Excellent. Actually, that is not excellent, because they are both in need of support. Although the plights of individuals clubs are not matters in which Ministers would wish to intervene, the Government are aware of the impact that ownership issues have had on the fans of Coventry City. The Minister for Sport and Tourism has met with local MPs. He has raised their concerns with the Football League and is in contact with them.

The noble Baroness, Lady Young, my noble friend Lord Addington and the noble Lord, Lord Birt, all brought up the plight of Portsmouth. We welcome the role of the fans and the supporters' trust in developing a community-owned club to continue in its place. We certainly wish them well. My noble friend Lord Wei also commented on the possibility of more fan ownership of clubs. Of course, in the case of Portsmouth it would not have been possible without the support of dedicated fans and, indeed, the valuable assistance that Supporters Direct provides. There are many ways for fans to become engaged in ownership, and Supporters Direct is guiding them in the development of trust and the exploration of options. That might seem like a way forward.

My noble friend Lord Wei also raised foreign ownership. It is a fact that the global appeal of the league will continue to attract foreign ownership and the football community must capitalise on the benefits of this. The Premier League is international in its operation and appeal and it is true that a great deal of global talent is attracted to our competition.

The implementation of the FA's youth review seeks to break the mould in English football and develop more skilful players at grass-roots level. This is where the Premier League and England players of the future reside. The new skills-based approach will be rolled out in the 2013-14 season. The noble Lords, Lord Birt and Lord Faulkner, referred to the small number of English players in the teams. My noble friend Lord Taylor also mentioned the small number of British Asian players.

From these foundations, football now has a clear strategy to give our brightest youngsters the best possible opportunities to develop. The FA supports an elite pathway through professional clubs and the FA England teams. Representative teams from under-16s to under-21s are all based at St George's Park, the national football facility. Professional clubs provide the feeder system for these teams and the new elite pathway, which has extensive interaction with schools, and will provide players for our future squads. As part of the elite pathway, there is close co-ordination between the professional clubs and the Football Association's leading charter-standard clubs. This ensures that the entry and exit points of the professional game support continuing player development, allow young players to keep playing and potentially allow for their return into the professional structure, should their future development allow it.

My noble friend Lady Brinton raised the question of football academies. As she says, not every academy player will make the Premier League and it is vital that supplementary training prepares them for this eventuality. The best examples of integrated training do indeed leave youngsters prepared for a future outside of football. As she says, Ofsted has rated as outstanding the Premier League in its best practice report of April 2012, noting that apprentices could,

"achieve their footballing potential while also developing their academic and personal skills".

The noble Baroness, Lady Young, raised the links between sport and modern languages. Of course, she chaired a committee which reported on European

sport. We have also been involved in APPG meetings where sport and languages have been associated. We think that that perhaps will be wider than the vocabulary that my noble friend Lord Lyell was claiming to possess in this respect, perhaps reflective of the language that the noble Lord, Lord Birt, recalls hearing at his local game. Inevitably, with its international flavour, sport encourages the learning of languages.

The noble Lord, Lord Ouseley, also referred to the programmes for literacy and numeracy. These have had a powerful effect, particularly in disadvantaged areas. Training also extends to the work of many Premier League clubs to engage disaffected individuals back into education. It is one of the many positive ways in which the power of football can influence hearts and minds and, as my noble friend Lady Brinton says, can transform the lives of many young people.

The noble Lord, Lord Faulkner, raised concerns about disabled access to Premier League stadiums. This will be noted in our ongoing engagement with the sport. I think that the example he quoted obviously should be shaming to the game.

On diversity, the joint inclusion and anti-discrimination action plan for English football has set clear targets across the game and is now reporting significant progress in initiating its work against discriminatory behaviours. A better understanding of equality and inclusion in the environment of football is being created, ensuring that it is open to a wide and diverse talent pool. I pay tribute to the noble Lord, Lord Ouseley, and the noble Lord, Lord Taylor, for the work that they have done against racism. I note their concerns that there is not an ethnic mix at the top of the managerial and professional tree. The statistics do not read well, but we welcome the work that bodies such as Sporting Equals—funded by Sport England—are doing in partnership with clubs such as Liverpool, as well as the work that Kick It Out and Showing Racism the Red Card, mentioned by noble Lords, have been carrying out successfully to encourage greater diversity of coaching staff at all levels. This is a key part of the Football For All strategy. Against this backdrop, the access needs of a diverse fan base must not be forgotten.

As we commemorate the Olympic and Paralympic legacy one year on, some have noted the successful inclusion of British football teams in the London 2012 Olympic Games. It did immeasurable good for the profile of the women's game, setting a record attendance figure of over 80,000 at the gold medal match. It offered many more thousands of spectators the opportunity to enjoy watching Olympic competition, and incoming Olympic tourists the opportunity to enjoy visiting the hosting cities outside London.

The noble Lord, Lord Taylor, drew attention to the challenges that women face. My noble friend Lady Brinton pointed to the lack of gender balance in this particular debate. I suppose that it is just as well that my noble friend Lord Gardiner was double-booked on this occasion, as I have been able to raise, at least slightly, the participation rate. We also note that the Women's Super League is expanding to two leagues in 2014 and that many participating clubs are affiliated with Premier League sides, enjoying the facilities and expertise provided, including a new side from the

[BARONESS GARDEN OF FROGNAL]

Manchester City stable. Although it may not yet attract the same funding as the men's game, the relationship between the two is improving.

We entered Olympic football as Team GB for the first time in 52 years, but the merit of any future Olympic participation in men's or women's football must be left to the football associations and the BOA. Team GB Football more regularly appears in the Paralympic roster and squads will no doubt continue to represent us with pride in Rio 2016 and beyond. We must not forget other British football squads, such as those who attended the recent World University Games, or Universiade, which is now one of the world's largest multi-sport events. Following a successful campaign, in Kazan, Russia, the British men returned with silver and the women with gold, with a squad featuring many players tipped for full international duty. Through their successes I have no doubt that both teams, and the wider squad of athletes and support staff, have done much for the global face of British sport.

The noble Lord, Lord Stevenson, raised the issue of broadcasting rights, as did the noble Lord, Lord Lipsey, I believe. There was the suggestion that a proportion of that income should be given back direct to the sport. I will write to the noble Lord on that as I do not have a direct answer for him at this time. However, I rather suspect that this will be something for football governance and it will not be for the Government to interfere.

The noble Baroness, Lady Young, also mentioned the lack of diversity in sport at board level. I believe that the Government hope to work with the sport very closely to ensure that board level is more representative of the diversity of people who take part in and are interested in football.

**Lord Faulkner of Worcester:** Is the Minister aware that when the Olympic Select Committee took evidence from the Football Association, its representative was asked how many women were on the council of the Football Association and the answer was that in a council of more than 100 people there were three women?

**Baroness Garden of Frognal:** I was not aware of that. I wish that I could say that it surprises me. We should take note that that sort of representation does not reflect the way in which football is supported and should not be tolerated in the 21st century.

We acknowledge the Premier League's efforts to date in addressing issues of governance and other issues that would better enhance their undoubted success and hope that they continue this work for seasons to come. Noble Lords have raised a number of key issues that they see fit to be addressed. I include in that the trickling down of their wealth, one of the comments with which my noble friend Lord Bates began this debate.

The contributions that the Premier League makes to the UK significantly go beyond its remit of delivering the top tier of domestic competition. Beyond its place domestically, close to the hearts of so many, the world has embraced our league as its own. It is from that

privileged position that it can continue to showcase the very best of what the UK has to offer globally. There have been some amazing contributions from around the House in this debate. I renew my thanks to my noble friend Lord Bates and thank all noble Lords who have contributed their wide-ranging expertise to this stimulating and productive debate.

2.07 pm

**Lord Bates:** My Lords, I think that the Standing Order and the clock permit for a few minutes of post-match analysis of this debate. I thank all noble Lords who have taken part. I particularly thank my noble friend Lady Garden of Frognal for the very comprehensive way in which she summed up the debate, responding to the points raised.

As I sat and listened to the debate, I felt that if Alan Hansen were here, he would say, "The thing about that debate is that there was quality everywhere you looked on the pitch". There was immense, rich experience coming through: the noble Lord, Lord Pendry, with the Football Foundation; the noble Lord, Lord Birt, with broadcasting; the noble Lord, Ouseley, with the Kick It Out campaign; the noble Lord, Lord Faulkner, with the National Football Museum; the noble Lord, Lord Watson of Invergowrie; and my noble friend Lord Taylor of Warwick, who is still playing. I felt that it was an excellent debate from that point of view, and it brought out into the open passionate football fans from all different corners, from Southampton to Forfar Athletic, the team of my noble friend Lord Lyell, to recognise the national game.

The noble Lord, Lord Watson, gave us a little tutoring on how the Scots are worried about the performance of England at a national level. I believe that we should take that advice with a little caution. Some of us were watching last month when the English national team gave a fantastic performance in the Maracana in Rio against Brazil to draw 2-2. The truth will be found out next month when Scotland comes down to Wembley for the 150th anniversary game.

Several noble Lords referenced community value and community ownership of our clubs and what this evokes within each of us. I was drifting away on the melodic tones of the noble Lord, Lord Graham of Edmonton, when he talked about "wor Jackie" and the Newgate Street Co-op—I was dragged back to my roots also.

I will make just a couple of brief points. As a fellow-member of the Olympic and Paralympic Legacy Committee I am very grateful to the noble Lord, Lord Faulkner, for raising the evidence given by noble Baroness, Lady Grey-Thompson, to that committee. We were all quite shocked to hear her observations about how inaccessible many Premier League football grounds are. I encourage the Government Front Bench to consider dispatching the noble Baroness, Lady Grey-Thompson, to each of the Premier League football grounds to carry out an audit; if that would not sort them out, I do not know what would.

Some unbelievers crept in for the debate, perhaps ahead of the debate that will follow on atheism; the noble Lord, Lord Lipsey, embarked on a heresy, but made a very valuable contribution to the debate, as did

my noble friend Lord Addington. I will make a brief point about the number of players, which is that yes, 30% of the players who play in the Premier League are from England and eligible to play for the English national team. However, that does not reflect the true picture. If you take into account the Scottish, Northern Irish and Welsh players, we move up to 40%. If we followed the example of rugby and the British Lions and had a team of that nature, we would be on par with what is happening in Germany. Perhaps we ought to look at that. Why do the national teams not succeed? That is another debate, and I do not want to embark on it. It is probably because we over-obsess about past glory in 1966 rather than future glory, and perhaps also because for some of the players the greatest pinnacle of success is winning the Champions League medal rather than a World Cup medal. Again, we shall see.

I will make one factual correction for the record. Noble Lords will not be surprised, from my stature, to learn that I will not be running 500 miles for Save the Children's work in Syria, starting in London on Saturday and finishing in Enniskillen on 9 September, but will be walking it—and at a measured pace. However, that pace will be sprightly during the first half of the walk because I have to get to Manchester for 17 August, when Newcastle plays Manchester City in the opening game of the season. How I perform thereafter will very much depend on that game. This is a good-news story for Britain.

## Atheists and Humanists: Contribution to Society

### *Motion to Take Note*

2.12 pm

*Moved by Lord Harrison*

That this House takes note of the contribution of atheists and humanists to United Kingdom society.

**Baroness Stowell of Beeston:** My Lords, as other noble Lords are leaving the Chamber while the handover is going on, it is timely for me to remind your Lordships that the next debate, in the name of the noble Lord, Lord Harrison, is also time-limited. The same number of speakers is listed on this debate as well, so with the exception of the noble Lord, Lord Harrison, the noble Baroness, Lady Royall, and my noble friend Lord Ahmad, all Back-Bench contributions are limited to seven minutes.

**Lord Harrison:** My Lords, today we speak up on behalf of the silent majority, for those of us who do not attend any place of worship, whether church, mosque or synagogue. It is a silent majority, whose full contribution to British society has perhaps been unsung for too long. In contrast, we find that religious voices are ever more present, and sometimes shrill, in the public square. However, because atheism is a philosophical viewpoint, arrived at individually and personally, we are not given to marching in the street chanting, "What do we want? Atheism! When do we want it?"

Now!". As a humanist who senses that religion has neither rhyme nor reason, I believe that we should ensure that our needs and concerns are met and satisfied in that public square, as they are in the private armchair. For too long we have been silent, contemplative hermits in terms of our own cause.

Humanism is a non-religious ethical life stance based on reason, humanity, and a naturalistic view of the universe. As the non-religious proportion of the UK population increases, the contribution of humanists to British society also increases. While not all of those who are atheists would necessarily describe themselves as humanist, nevertheless a great many of those who are non-religious are essentially humanist in outlook. The increase in the proportion of the population which is non-religious is demonstrated not only by the 2011 census results, in which the non-religious element rose from 15% in the 2001 census to 25% in 2011, but also in the more recent British Social Attitudes survey published last year, which found that as many as 46% say that they do not belong to any religion.

Humanism is perhaps the default philosophical position for millions of people in the UK today, and millions of humanists in one way or another in their daily lives improve society by strengthening our democratic freedoms, involving themselves assiduously in charity work, increasing our body of scientific knowledge and enhancing the cultural and creative life of the United Kingdom.

The British Humanist Association is the national charity which works on behalf of non-religious people. Founded in 1896, it has more than 28,000 members and supporters and more than 90 local and special interest affiliates. The BHA campaigns for a secular state and on a range of ethical issues, puts forward the humanist viewpoint in public debate and lobbies the Government and parliamentarians. I am very pleased to see the noble Baroness, Lady Stowell, in her place today, because she will recall that we managed to have a humanist amendment added to the same-sex marriage Bill.

The BHA also has a network of celebrants who conduct non-religious ceremonies which are attended by more than 250,000 people every year. Some BHA members also give up their time to provide pastoral support to non-religious people in hospitals, prisons and universities alongside the chaplaincy teams of those organisations. In my own borough of Camden that silent service of humanists has not percolated through to the NHS, which still believes that those of the non-faith tradition should be served by chaplains of all kinds of faiths.

The BHA campaigns for secularism, the separation of church and state and an end to all religious privileges. The work of humanists and atheists in campaigning for secularism has helped to make the UK a more tolerant, free and equal society. In a secular society, the state does not favour any particular belief system. Members of all religious faiths, as well as those who do not have a religious faith, stand equal before the law. A society in which everyone has equal rights and minorities do not suffer from discrimination is a tolerant and democratic one.

[LORD HARRISON]

Humanists spent decades campaigning for the abolition of the blasphemy laws, which was finally achieved in 2008. Blasphemy laws place religiously-motivated restrictions on freedom of speech and should have no place in a democratic society. Humanists have had to campaign for personal freedoms in modern society that we now take for granted such as the legalisation of homosexuality, the ability to access contraception and women's right to access safe abortion facilities. We wish the Church of England well in its ambition finally to have women represented on the Bishops' Benches.

We campaign for a fully secular state, for the disestablishment of the Church of England and the removal of the Bishops from the House of Lords. We know that there are stirrings within the Anglican Church from people who take the same view. Perhaps it would be helpful to have a more equal distribution of those who profess religious faiths and those who do not—as with the BHA or the National Secular Society—on your Lordships' Benches.

The BHA also campaigns to end discrimination on the grounds of religion and belief, and it welcomes, in particular, the recent decision by the Girl Guides to drop the reference to God in their membership oath. The BHA also campaigns on ethical issues, such as the right to an assisted death for the permanently incapacitated and incurably suffering. Humanists try to achieve a more cohesive society by campaigning against social division in the education system and, indeed, the social engineering of church schools. We believe that children and young people should be free of religious indoctrination and have the space to develop their own beliefs. We would welcome the church intervening in the clearly odd matter of parents who apply to church schools when they are clearly doing so simply to have access to those schools and not as a profession of faith.

Humanists and atheists are sometimes accused of being intolerant of religious believers and being unwilling to work with them to build a better society; however, we support the Fair Admissions Campaign, which calls for an end to religious discrimination in admissions to state-funded faith schools, and the Accord Coalition. We work with the Christian think tank, Ekklesia, British Muslims for Secular Democracy, the Hindu Academy and Rabbi Jonathan Romain MBE. The BHA also campaigns against the teaching of creationism and in favour of the teaching of evolution. We call for an improved sex and relationships education. Humanists also call for an end to the requirement for collective worship in schools and for the reform of religious education, so that pupils are given the opportunity to explore different religions and non-religious world views, including, of course, humanism. Some BHA members are already working with the Standing Advisory Council on Religious Education and local authorities.

It is often claimed that the religious are more generous and socially engaged than the non-religious. However, research by the Government, published in 2011, shows that the non-religious are just as likely as religious people to participate in civil society. The Citizenship Survey of April 2010 to March 2011 was published by the Department for Communities and Local Government.

It looked at civic engagement and formal volunteering in that period and found that there was no statistically significant difference in participation between those with no religion, at 56%, and Christians, at 58%.

Among the BHA's most significant supporters from the world of science are its president, the physicist, broadcaster and author, Professor Jim Al-Khalili; the biologist and author of *The God Delusion*, Professor Richard Dawkins, a vice-president; physicist, Professor Brian Cox; geneticist Steve Jones; the former scientific officer to the Government, Professor Sir David King; and science writers such as Simon Singh and Doctor Adam Rutherford. We are all familiar with Francis Crick and the contributions of Bertrand Russell and the novelist EM Forster.

Humanist ceremonies, including weddings, funerals and naming ceremonies, are becoming more and more popular, and the BHA's trained and accredited celebrants conduct ceremonies that are attended by more than 250,000 people each year. Humanist ceremonies are tailored to the lives of the people involved and are based on shared human values, but with no religious elements. This aspect of the BHA's work is very important in a society in which a growing proportion of the population is non-religious.

I shall make some closing comments on a number of areas where I believe we humanists can aid society and improve its general workings. We could contribute, for instance, on "Thought for the Day", on the "Today" programme, from which we are currently excluded. I think that this is an error; we are able, as others are, to provide thoughts for the day. We are told that all other broadcasting is sufficient to absorb that which we may want to say. There are, however, true problems for atheists and humanists that should be properly addressed, knotty problems that we have to confront. I believe that, in fairness, that should happen. I also point to religious broadcasting that is of a better nature, such as the "Sunday" programme, which my wife and I listen to regularly, especially when chaired by the excellent Edward Stourton, who never allows his Roman Catholicism to stand in the way of his forensic journalistic instincts. I was heartened to hear the noble Baroness, Lady Berridge, in a recent "Sunday" appearance, speak up against the persecution of atheists in Indonesia and Pakistan. I was grateful to her for doing so. The noble Lady has gone further by changing the name of her all-party parliamentary group to reflect beliefs as well as religion.

There are also other ways in which humanists can contribute to the general weal, some of which will help our religious colleagues directly. The chair of the Historic Churches All-Party Group, Frank Dobson, is an avowed atheist. In 2004, I led a debate in your Lordship's House in 2004 asking Her Majesty's Government what contribution they had made to the maintenance of the architectural heritage of England's churches and their view on combining the function of churches as places of worship with other ways of serving local communities. I give one recent example from Chester, where we in the Labour Party recently selected our prospective parliamentary candidate for the general election in our local arts and craft Church of England, whose bells my wife and I listen to every

Sunday and practice Thursday. We may be atheists but we do not see why the church should have all the best buildings. I note that today the most reverend Primate the Archbishop of Canterbury has said that he wants to use the church estate to promote credit unions in churches to oppose payday loans.

I conclude on a sad note and I ask the Minister if he will take this back. The Armed Forces Humanist Association is being prevented from attending the Cenotaph ceremony in November, and I and others have been campaigning for this for a long time. Last week, I received a reply from the noble Lord, Lord Gardiner of Kimble, which tells us that we cannot be represented there. We do not want to lay a wreath or anything like that; we simply want to be there. The noble Lord wrote that there is a very real issue of available space for accommodating any extra participants at the designated place where the ceremony takes place, which could impact on the precision with which the ceremony must successfully operate, despite the fact that the Zoroastrians are represented at that ceremony. Thus spake Zorathustra, but thus quaked the Government when they were asked to represent the whole of British society. I think, hope and believe that this debate illustrates that we, the humanists and atheists, have a very real contribution to make.

2.28 pm

**Baroness Whitaker:** My Lords, I intend to go rather farther back than my noble friend's powerful speech. I congratulate him on giving us this opportunity to go a little wider and deeper than our usual deliberations. My thesis is that our idea of the good society has its roots in many traditions, some of which are humanism and atheism, and that the contribution of humanist thought is significantly underrated and denied its status in our education and our social policy. I declare an unremunerated interest as a vice-president of the British Humanist Association, whose causes my noble friend has so eloquently described.

By "humanism" I do not mean the Christian Platonism of Erasmus and his followers, although it is perfectly reasonable to call them humanists because that is what he called himself. For the purposes of this debate, I mean people whose ethical framework is unattached to religious belief. Strictly, I leave out later thinkers whose ideas chimed with humanism such as Montaigne, who would have courted death if they spoke in those terms. However, rather as early Christians thought Virgil was one of them, I hope that I can count Montaigne as sympathetic to the values of humanism.

Democritus, from fifth century Greece, was clearly an atheist. For our debate, perhaps his most significant contribution was his idea that there were systems which controlled how materials behaved—in effect, physics and chemistry. He also had a clear picture of the difference between subjective and objective perception. Both these extraordinarily modern-seeming theories offered an alternative to the supernatural and shamanic versions of the world available at the time. Bertrand Russell thought Democritus was simply lucky in his conclusions, but Lucretius, Democritus's much later Roman disciple, gave a series of empirical arguments for the same beliefs. The great beauty of *De Rerum*

*Natura* is its idea of a world determined by natural laws. It was astonishingly prescient—and, incidentally, was saved for our post-classical world by a Christian scholar. We do not acknowledge these two giants much as we go about our lives but we still stand on their shoulders, in Isaac Newton's graphic phrase.

I should also like to claim the sceptics of the Enlightenment such as Voltaire, but more exactly he and some of his contemporaries were deists, so perhaps I may call them fellow travellers. There were certainly avowed atheists among them, such as Diderot and the German Matthias Knutzen, who proposed conscience and reason as the only guides to behaviour. We could also claim Spinoza, with his idea of the human mind. To jump a couple of centuries, we teach George Eliot and Thomas Hardy as civilised and penetrating writers, but do we acknowledge equally their atheist values? I think we could with advantage put John Stuart Mill's pellucid *Three Essays on Religion*, which is actually about morality, on the sixth-form reading list.

Why does it matter to give humanism its due? After all, world views come and go. Who today respects the truths of Zoroaster—apart from the folk my noble friend referred to? Before some eminent Parsee Member of your Lordships' House gets up to say, "Ahura Mazda lives", perhaps I may hastily say that we should respect humanism, at least, because of the enduring nature of its tenets and, above all, their capacity to unite people of different faiths and none in common values.

What would this greater contribution produce? It would strengthen the part played in ethics by conduct. It might give some credit to a tradition that goes back even earlier than the Abrahamic religions—much earlier even than classical Greece—to the religious tolerance of Ashoka, the great Indian king of the sixth century BCE, or to the idea of human rights in the Code of Hammurabi three centuries earlier. It might draw a continuum from those milestones to the atheist inventors of the United Nations and its founding charter of human rights. I wish that this Government respected what human rights are really about, as their founders down the centuries have. Acknowledgment of humanist traditions of thought would help to put that in proper perspective. More emphasis on conduct rather than faith or revealed axioms would be beneficial in the education of our diverse society. It would make a better way to educate our children together to form one society, whatever their affiliation to a particular religion or belief.

I personally would not like to see too much downgrading of the status of religion in a secular society. The values of the great religions of the world are inestimable and it would be foolish to deny the fundamental role of Christianity in our culture, or of the one I am closest to: Judaism. The influence of Islam, especially from the Andalusian period, is underrated. The great religious patrons financed some of the greatest art the world has seen.

What I hope for is an understanding of the importance of ethics and morality that allows non-religious systems equal respect. I am heartened in this by occasional references by right reverend Prelates to those of faith and of none. I ask for an equal place in our counsels

[BARONESS WHITAKER]

and advisory bodies, and, most of all, in the education of our children. It should be the primacy of an ethical framework in our public policy, not the primacy of religion, that matters.

Of course people are entitled to draw a religious conclusion from the awe-inspiring features, and the challenges of evil, in our world. Those of us who grew up in the 20th century will have noticed the need for redemption. If some people over centuries, even millennia, have not found it right to fit that into a religious framework but have nevertheless developed the values that we honour, we should make sure that we know all of the shoulders we are standing on.

2.36 pm

**Baroness Meacher:** My Lords, I applaud the noble Lord, Lord Harrison, for giving us the opportunity to consider this increasingly important subject. I make clear at the outset that I am not against religion, so long as religious believers adhere to the basic ethical principles of empathy and compassion. In my view, any Church of England member today would adhere to those principles. My other request is that people of religion should be open to the scientific method when they come to understand how the universe works, even if this requires them to adjust their belief in the supernatural. Where a religion departs from these principles—if, for example, adherence to a religious belief requires female genital mutilation—I part company with it, and I am sure that every noble Lord would agree with that view. That is the issue. Many religions have gone wildly off course over the ages.

To put my cards on the table, I would probably describe myself as a humanist Quaker. Yes, there are Quakers who do not believe in a supernatural God. I wonder how many people who call themselves Christian would also reject the idea of a supernatural God and would interpret the resurrection simply as symbolic of the human capacity for renewal—nothing more. I remember asking a very dear verger who worked with me on mental health many years ago, “Do you really believe the words of the Creed?”. He said, “I don’t really think I believe any of it, but I find it helpful to be in a spiritual place and to ponder on things other than the material, and other than the worries of today”. Was he really a Christian? If he was, perhaps for many Christians the term “Christianity” is synonymous with humanism.

One reason to promote humanism is the need to distinguish religious sects that subscribe to the basic ethical principles of humanity and those that do not. We cannot just assume that because somebody is religious, they have to be good, and if they are not religious they have to be bad. Another reason is the rapidly growing proportion of the population who are not religious at all. The noble Lord, Lord Harrison, referred to the figures. It is staggering that about half the population today do not have a religion. Religion is dying fast. Only one-third of 18 to 24 year-olds belong to a religion, compared with 72% of those over 65. Humanist values are thus absolutely vital to our society if we are not to decline into the amoral, brutish existence of which people speak.

The Dalai Lama has shown the way in his book, *Beyond Religion*. He argues that compassion is the most central instinct which enables human beings to survive and thrive. Compassion leads us to treat others as we would wish them to treat us—a central tenet of Christianity—that is, with concern, affection and warm-heartedness. The Dalai Lama—a lifelong Buddhist, of course—advocates,

“an approach to ethics which makes no recourse to religion”.

I find that very interesting and powerful. He argues for a secular ethics and sees no contradiction between that and his religious beliefs. Secular ethics, or humanism, is beyond religion, as the Dalai Lama suggests, not beneath or above it.

We now know from evolutionary biology and neuroscience that these values are innate in our biological nature. Humans survive and thrive only if they espouse these values. We need to promote these values within ourselves and in others. Many will say that they pursue ethical and humanist principles because of their religion. That seems fine to me; perhaps I part company with some of my colleagues in the Chamber today. Others work towards achieving compassion through mindfulness or meditation. That for me is good. I am not myself very good at it, but I believe that others are and greatly benefit from it. The important point is that we all agree on the humanist values by which the world should strive to live. It would be helpful if everyone also accepted the scientific method as the means to understand the universe, but I understand that not everybody takes that view. Humanists have campaigned for many of the great reforms of the past century, as the noble Lord, Lord Harrison, has already said.

I want to spend a minute to focus on another great humanist and, in my view, religious challenge over the next year—the Assisted Dying Bill. The principle of autonomy—the right of every human being to have control over decisions affecting their health and, indeed, their life and death—is perhaps the most fundamental ethical principle of all. I was chair of a clinical ethics committee for a health trust for some years and we had to consider some very complex issues for clinicians. The only way to be sure that our guidance would be in the patient’s best interests and satisfy the ultimate humanist principle of compassion was to put the autonomy of the patient at the centre of our debates.

The same applies to how we die. If patients who are terminally ill can make their own decisions about how and when to die, society cannot go wrong. Of course we need safeguards to ensure that callous and greedy relatives cannot in some way lead a patient to say something that they do not want to say, but those safeguards are in the Bill and will be in place if it passes. Last November, Rabbi Dr Jonathan Romain established Inter-Faith Leaders for Dignity in Dying, an inter-faith group of clergy who favour the aims of Dignity in Dying, including the Falconer Bill. This proposed legislation is not contrary to religion, and I hope that those on the Bishops’ Benches may be able to support us. A YouGov survey commissioned by Inter-Faith Leaders for Dignity in Dying found that 62% of people who identified themselves as belonging to a religion support the legalisation of assisted dying for terminally ill people with mental capacity. Only

18% were opposed. Most of us would lead more contented lives safe in the knowledge that we would not have to suffer beyond our endurance at the end of our lives.

2.43 pm

**The Lord Bishop of Birmingham:** My Lords, while I am still privileged to occupy the Bench of the Lords spiritual on behalf of the nation, I am delighted to say that the debate today is most welcome and I am honoured to follow the previous three speakers. They have given us the opportunity to hear the great deal of good that can and should be recognised, wherever we find it, whether in philosophy—the noble Baroness, Lady Whitaker reminded us of the great traditions of humanist philosophy—or in science. I note the point of the noble Baroness, Lady Meacher, about the very serious business of assisted dying; I am sure that we will work hard on that together to get it right.

There is also the wonderful good that comes from humanists or atheists ringing bells. So often in society we appear to be motivated simply by our own interests, with the consequence that acknowledging good in others is interpreted simply as disloyalty to one's tribe. Within the church, we are not immune to this problem. None the less, the Christian tradition points to the wider generosity; when Jesus was asked for an example of neighbourliness, he told a story about the Samaritan and not a good religious Jew, such as himself. I hope that, among many other themes, this debate will challenge intolerant tribalism in all walks of life wherever we find it.

While my Christian faith came alive in Idi Amin's Uganda when I was 18, many of my closest friends are more comfortable with atheism or humanism. We have in common a desire to explore profound questions about life, meaning, the universe and everything else. We may have different views or come to different conclusions. We may even become stronger in our own conclusions. I should add that on the subject of the resurrection that my views on its veracity have not changed much since I was 18. We appreciate one another as seekers of truth and adventure together.

The contribution that people of various beliefs, religious or not, make to society is measured not simply by clearly held propositions—I do not doubt that we will hear more of those this afternoon—but by the actions that those beliefs inspire them to take. There are committed humanists, atheists, Christians, and those of other religions and faiths and of no faith, in every political party and independent person represented in this House and in the other place. As we have already begun to hear, members of the church work regularly, constructively and happily alongside humanists and atheists in pursuit of the common good. I am delighted that the noble Lord who has given us the opportunity to have this debate is making good use of his local parish church.

A difference is perhaps that religious people and religions usually offer a collective practice, in worship and social action, whereas one notices from time to time, in spite of the association, that humanists and atheists contribute more as individuals. This should not stop us working together, when we can be allies

one day and even if we are opponents another, achieving together what we can and learning from each other when we are opposed. The boundaries between belief systems are a good deal more fluid than most people assume. For example, there is a long and honourable tradition of Christian humanism, traceable back to the Middle Ages. The noble Baroness spoke of thinkers such as Erasmus. This tradition focuses on Jesus's message about the basic moral significance of human beings. We tend mainly in modernity to see the opening up between theistic religion and humanism. I do not suggest for a moment that most humanists are closet Christians, but there are Christians who espouse humanist values in addition to the source of their own faith. In Nrimol Hriday in Calcutta you could see the work of Mother Teresa in caring for the dying, which was loving presence for its own sake for those needy people.

I wonder why the British Humanist Association, which has been mentioned with such strength, often adopts for instance such a strongly secularist approach, which would exclude religion from the public square. Everybody comes from somewhere and every position that we hold rests on beliefs of one sort or another. The massive contribution offered to society by atheists and humanists, no less than religious people, happens because good actions flow out of worthwhile beliefs and systems. Seeking to confine people's beliefs to the private realm and expecting good actions to flow in public seems to me to get cause and effect rather mixed up.

As an example of the potential alliances in the public square, there is the service of registered humanist practitioners in offering humanist funerals, which the noble Lord has mentioned. The Church of England has been able to work behind the scenes with the British Humanist Association to find an approach to humanist weddings that would work for us both. There have been similar alignments between us on the important issue that has already been touched on in connection with freedom of speech. These give evidence that theistic religions and non-theistic belief organisations can inhabit the public square together for the benefit of all. There could be more examples if there were wide agreement that a society marked by plurality of religions and beliefs is a much more promising model than secularism's attenuated understanding of the public realm.

I celebrate today the contribution of humanists and atheists to the common good. I revel in our common humanity, our shared commitment to society and the gift of friendship. Together we can go further and demonstrate not just ordinary respect but a much deeper appreciation, not mere tolerance but full participation in the needs of society and be grateful for living in such a society where people of all religions, or none, do not just nurture their beliefs in private but integrate them into a full, joyful, public intention in our endeavours to make the world a better place for all.

2.50 pm

**Lord Layard:** My Lords, I, too, greatly welcome this debate. I have to admit that I was a founder member of the Cambridge Humanists in the 1950s when I had

[LORD LAYARD]

great hopes for humanism, but which I think have been only partly fulfilled. Humanism has done very well on the negative side in rebutting unreasonable beliefs and unreasonable laws but much less well on the positive side in providing a thriving and flourishing secular morality, which is what many of us had hoped it would do. I believe that that failure has had quite serious effects on our society because more and more people have abandoned a morality based on religion. It has not been replaced with anything as powerful or with the same emotional force as that provided through the churches, so the way has been left open for the increasing growth of a “me first” philosophy of life.

How can we reverse that? Two things are needed. First, there has to be a much clearer, more powerful expression of what humanists positively believe in—not what they do not believe in. Secondly, there have to be institutions which embody those beliefs. As the right reverend Prelate said, the churches provide the social support for religious belief. It is not easy to lead a good life on your own without social support. You are much more likely to do so if part of your identity is that you are a member of an institution committed to ethical living. We desperately need more such institutions of a secular kind that can support the majority of our citizens who are not practising members of a religion.

It is unclear to me exactly how these new institutions will develop and what they will look like. I am involved in an attempt to create one such institution, Action for Happiness, and I shall tell the House a little about it. We now have 30,000 members. The first thing a member has to do is pledge to live so as to create as much happiness and as little misery in the world as they can. The movement provides them with materials that can help in that endeavour. Increasingly, it aims to create real face-to-face communities that are more like the churches in their physical expression, or perhaps the early Christian cells, in order to help people to live in this way.

Action for Happiness’s ethical stance is very simple. It is really important that humanism develops a very simple ethical creed which can generate people’s energy, loyalty and commitment. It says, first, that everyone matters equally and, secondly, what matters about them is their quality of life as they experience it—in other words, their happiness. If you put the two together, you arrive at an obligation on each of us to try to produce as much happiness and as little misery as we can in the world. This is the most obvious foundation for a humanist secular morality which could carry our society forward.

Of course, it has much in common with the golden rule that we should do unto others as we would like them to do unto us. When it comes to what we should not do, both principles are very much in line. We certainly should not do what we would not like others to do to us. However, there is a difference in relation to what we should do; that is, how we should conduct our lives in a positive way to make the world a better place, as was just said. There are some problems about the golden rule and whether we should do to others what we want them to do to us. We may want them to get a job but that does not mean we should give them jobs:

it might not be practical. We need a more practical expression of how you can live positively. I cannot think of a better or more inspiring expression than that we should live to increase the happiness of those around us and reduce their misery.

Secular morality is not anti-religious, it is areligious. Of course, the areligious increasingly are the majority of adults in our country. When I have spoken to educators who have insisted that the view I put forward is contrary to two millennia of Christian education, I find myself saying something like, “If you want to teach morality on the basis that it is conformity to the will of God and you know that three-quarters of the people you are teaching will lose their faith in God by the time they are 20, how are you expecting them to lead moral lives? What support do they have for leading moral lives in their adult life?”.

As humanists, we need a firm view of what we believe and we absolutely need institutions. We need to see that our views are taught in schools and featured in “Thought for the Day”. However, much the most important remaining task is to build institutions which inspire and uplift people, and enhance their commitment to ethical living. I urge all humanists to turn their minds to building institutions for the promotion of secular morality. Obviously, they should be modelled to an extent on the experience of the churches and people should meet regularly. Through that they would uplift their spirits and strengthen their resolve to live well.

2.57 pm

**Lord Harries of Pentregarth:** My Lords, I, too, am very grateful to the noble Lord, Lord Harrison, for an opportunity to speak in this debate and I put my name down to speak in an entirely positive manner. I believe that we should recognise and rejoice in what is good, wherever it comes from. I warmly welcome the contribution that humanists have made to our society. In its modern sense, I take it that the word humanism refers to a set of values focused on the well-being and flourishing of human beings without recourse to any kind of metaphysical foundation or goal. Humanists may be atheist or agnostic but their value system stands on its own. This is best described as secular humanism, which I take is what we are focused on in this debate. It can be distinguished from Christian humanism, which is grounded in a religious world view, although it shares many of the values of secular humanism.

The distinctive contribution of secular humanism to our society since the 19th century can, in general terms, be summed up in one sentence: it has opposed religious dogmatism when that dogmatism was seen to be blocking progressive social changes that we now all take for granted. Humanists can be found supporting all the great causes of the past 200 years from the anti-slavery movement to votes for women, as often as not working alongside Christians. So I warmly welcome that contribution. However, I have two questions to ask, which I do so as genuine questions, not in a polemical spirit. First, where do the values of secular humanism come from? Secondly, what is going to sustain them in the future?

The Canadian philosopher Charles Taylor's massive book, *A Secular Age*, addresses the first question. He argues against all "subtraction stories", as he calls them, according to which modernity sees itself as having sloughed off or liberated itself from certain limiting beliefs. Instead, he argues that what we mean by a secular age, in which for the first time a self-sufficient humanism has become a widely available option, is the product of a long historical development which he traces back to the medieval age when new religious orders were founded specifically to live and work in cities. He continues the story through the Reformation, with its emphasis on the value of the lay vocation and lay work, and the development of secular life through to our own times. In short, what we value today in a secular humanist view of the world is an achievement brought about by a long process of predominantly Christian history. Secular humanist values did not simply come from nowhere.

The noble Baroness, Lady Whitaker, mentioned George Eliot and Thomas Hardy, two novelists I hugely admire. George Eliot probably had a greater range of depth and sympathy than any other writer in the English language, yet until well into adult life, both were deeply devout and serious Christians. They lost their Christian faith but they kept their Christian values, or they kept values which they no longer regarded as specifically Christian. However, those values had been formed by some process. I make this point not to take any particular credit for the Christian church, whose record is of course mixed, but in order to sharpen up my next question: if these values are the product of a long, substantially Christian history, what will sustain them into the future? The Nobel prize-winning poet, Seamus Heaney, has said that, "Some kind of metaphysics has disappeared from the common life. I think we are running on an unconscious that is informed by religious values, but I think my youngster's youngsters won't have that". If that is true, what can create, inspire, sustain and strengthen a durable moral consensus into the future? It is a genuine question to which for so many there is no clear or obvious answer, so it was very good in particular to hear the noble Lord, Lord Layard, address it directly with a degree of urgency and seriousness.

This leads on to my final point. Michael Sandel, the Harvard professor and Reith lecturer, has argued that for 30 years or more, our society has been dominated by a combination of social and market liberalism. In short, the value of free choice has been allowed to override and ignore all other values. In a series of brilliant examples, he shows that this is unsustainable and that our deepest instincts want a much thicker, richer set of values, for our public and our private lives. Our society is lacking a substantial and widely shared moral vision. I believe that secular humanists and Christian humanists could be allies in the task of moving our society away from the rampant individualism that now dominates our life. Of course there will be disagreements when it comes to spelling out in detail what that wider set of values consists of and what their policy implications should be—there will probably be some disagreement over the assisted dying Bill—but

such is the need of society for something better than we have now, those disagreements are worth facing and working through.

So I warmly welcome the contribution that secular humanism has made to our society, but in no polemical spirit I will ask this: what is going to sustain, nurture and strengthen its values in the years ahead? Finally, I note the need for a much wider, deeper and richer ethical framework for our society than the current relentless emphasis on free choice provides. I suggest that this is a challenge that secular humanists and Christian humanists might do well to try to meet together.

3.04 pm

**Lord Maxton:** My Lords, first, I thank my noble friend Lord Harrison for introducing this debate and for the very temperate way in which he did so. I am an atheist despite once receiving a birthday card from a sister-in-law which said, "I used to be an atheist until I realised I was God". I do not even believe that. I am an atheist and a humanist, but I am now going to be slightly more divisive than has so far been the case. I am an anti-clerical atheist. I do not believe that history proves that the churches and religion have been good for the world. All right, it may be that I studied history and that I go back a long way. It used to be the case that churches hanged people in this country because they did not go to church. Even if you look at the record of the Church of England and that Bishops' Bench over 200 years on, for instance, the abolition of capital punishment when atheists such as Bradlaugh were introducing that proposal, they consistently voted against it. They wanted to keep capital punishment right up until the end. I accept that the churches are now against it, but it took them a long time to come round to that.

We have just had riots on the streets of Belfast about—what?—religion. I come from the city of Glasgow, which is divided between two different Christian churches. If you looked at the great movement for democracy throughout the Islamic world, what is stopping it from developing properly? It is religion and divisions within the Islamic faith. Of course there have been good Christians and of course there have been good people from all religions who have tried to help the poorest in our societies in any way they can. After all, I am a member of the Labour Party, which in part was formed by people who came from the Christian tradition and who wanted to help. Kier Hardie himself was an active Christian—a temperate one, I accept, because he never drank. Equally, however, they were always the minority rather than the majority.

Today we live in a much better society, not just in this country but throughout Europe and the western world, than we did in the past. We live in a society that looks after the poor and the elderly, and which helps those who are widowed early. I shall tell noble Lords a story. My own father was the director of a research institute at Oxford University and was at the professorial level. He died on 6 May 1951, one day after my 15th birthday. My mother received from the university his salary for the first five or six days of May, and that was all. There was no widow's pension, but now all

[LORD MAXTON]

that has changed. It is interesting to note, although I am not making a direct correlation, but as our society has improved, so has religion declined. The number of people who believe has gone down and down as our society gets better and better.

It is an interesting fact that if you look at the countries which all the research shows have the lowest number of people who believe in religion, you will find that they have the lowest crime rates, the lowest levels of infant mortality, the best education systems and the best social security systems. They are, of course, Sweden, Denmark, Canada to some extent, Estonia and countries of that nature. In the United States, the states with the lowest crime rates and the best systems of education and so on are in fact those which have the lowest number of people who believe in religion. I am not making a direct correlation between the two, but it is difficult not to. The fact is that that is what is happening. I am sorry, but I do not believe that somehow we are living in a worse society now than we did; we do not, we live in a much better world than we had in the past. Society has improved as religion has declined.

I turn to one final point. We have not yet had the figures for the extent of religious belief in Scotland—where I come from—but it is likely to be in the region of a majority of people, or just under that, of non-believers. If you apply the same increase as in England, it will be a majority. If that is the case, surely we have to have major changes in public policy. We have to look at our broadcasting and our public broadcasting in particular—the BBC—and at which people we allow, for example, on “Thought for the Day”. Personally, I would abolish “Thought for the Day” altogether. I would not have humanists coming on and putting their case; we should just not have it at all. Why do we have a “Thought for the Day” on our public radio?

We have to change our education system. I know that it is no longer true but, when I was in education, there used to be one compulsory subject on the curriculum: religion. Surely, if the majority no longer believe, we have to look at the way in which the whole of our public policy is drawn up and change the way in which we look at society. I hope that that will be coming very soon.

3.11 pm

**Lord Morgan:** My Lords, I will make one point and one point only. Modern Britain has had the enormous benefit of not being torn apart by doctrinal or political conflict between the churches and unbelievers. That has been an enormous contribution to our social peace and very different from, for example, the situation in France, which is relevant as it is my wife’s country. She is a Huguenot—a Protestant—and the Huguenot community have suffered from the savagery of intolerant belief. There has been a long confrontation between church and state in modern France, including bitter assaults on the church by freemasons, republicans and socialists. The church itself has identified with nationalists, militarists and, during the Dreyfus case, anti-Semites. It is still evident today, in the disgraceful attacks on Muslim women in France in the name of secularism. This kind of intolerance is perhaps most notable in

Catholic countries but is also visible in Protestant ones—witness the role of the religious right in the United States.

Why have we been luckier? In my opinion, it is for two historical reasons. The churches have discovered how to retreat, while atheists and humanists have discovered how to protest properly. The church, as we know, had a virtual monopoly of civil and social power in the early 19th century in Britain. It was persuaded—or politically forced—to give way on issue after issue, such as admission to universities and religious rites. It retreated in its views on science, coming to accept evolution, and on social issues such as property rights and industrial relations. Most powerfully, as we discovered in this House recently, it has profitably retreated in its views on moral attitudes, most notably on the debate on gay marriage. The noble Baroness, Lady Stowell of Beeston, was able to appeal to the better angels of our nature as we considered that issue.

I have the honour of following the noble and right reverend Lord, Lord Harries of Pentregarth, and one of the most remarkable retreats was in Wales, where the church accepted its own disestablishment and being seized out of the part of the province of Canterbury. The view of the Church in Wales—yr Eglwys yng Nghymru—as a Church of England in Wales is now completely out of date.

Equally, atheists and humanists have become much more effective in their approach. Beginning, perhaps, from a literary or philosophical emphasis—Diderot and the encyclopaedists have been mentioned—they added scientific triumphalism in the 19th century. Humanists assumed power in public life, for example John Morley, who famously described Gladstone with a large G and God with a small one. Atheists were forced to defend themselves—Bradlaugh did, for example, in order to take his seat in the House of Commons—and non-religious conscientious objectors were persecuted in both world wars. However, the more aggressive and divisive forms of protest were broadly rejected. Dogmatic anti-religious creeds such as positivism or Auguste Comte’s religion of humanity were not accepted and made little headway in this country. The emphasis, if one can so describe it, was on humanism—the value of the individual, the power of an individual’s moral quest for truth and the values of human brotherhood resulting from that—rather than on doctrinaire atheism.

I am very struck by the famous atheist George Jacob Holyoake, who chose in 1851 to describe himself as a secularist not as an atheist. He took part in a famous debate with Bradlaugh on the proposition: “The principles of Secularism do not include Atheism”. His heroes were humanist men of letters such as Erasmus and Montaigne, who have been mentioned today and who both of course declared themselves to be Christians. So it has been that humanists, as we have heard, have been able to act effectively with religious idealists in progressive crusades, from the anti-slavery to the anti-apartheid movements.

The outstanding product of that is the outfit to which 10 of the 17 speakers this afternoon belong—the Labour Party. It was hugely important, with all respect to my noble friend who just spoke, that the Labour Party did not lapse into the anti-clericalism of the

French or German socialist parties. The views of the Labour Party were pluralist. They ranged from the undoubted atheism of the Webbs, many of the Fabians and HG Wells, side-by-side with members of the Independent Labour Party in South Wales and in the West Riding, which brought in a Christian ethos. Nothing was more stimulating for the labour movement in south Wales than the religious revival of 1904. I make that point because I made it in my first book and nobody paid any attention, so perhaps 50-odd years on people will pay attention.

The Labour Party has had a series of Christian leaders, down to Gordon Brown. The one declared atheist I recall was Michael Foot, whose rhetoric and values were shaped by Cornish chapels. His values formed a bridge, I think, within the labour movement. In the social Christianity of our age, Tawney has been, I believe, our dominant philosophical inspiration. The Labour Party benefited from this. The whole range of creeds has worked for social justice. Now I hope they will work for the doctrine of human rights, which massively appeals both to humanists and to Christians. The Universal Declaration of Human Rights is truly universal in that sense. I conclude by saying that modern Britain has found this confluence of faith an enriching experience. It has made it a healthier, more humane and more tolerant society.

3.18 pm

**Baroness Flather:** My Lords, in this debate, which the noble Lord, Lord Harrison, has initiated, I feel that it is a great privilege to be able to speak about one's views. We do not always get that opportunity. This debate is about the contribution that atheists and humanists have made to the United Kingdom and society—indeed, to the world, not just to the United Kingdom. We have never killed anybody in the name of atheism or humanism. We have never harmed anybody in the name of atheism or humanism. I think that is a good start.

If you look at religion and its history and consider how the world would have been without religion, what things would not have happened, and how would that have shaped us today? The noble Lord, Lord Maxton, has hinted and spoken about that, but I would like emphasise it. For a start, we would not have had 9/11, we would not have had 7/7, and we would not have a young soldier being beheaded on the streets of London. Those are just present-day events. We would not have the Crusades. We might not have had the great build-up of problems between Christians and Muslims. So many things have come about through religion that would not have happened. We would not have had the conflict in Northern Ireland, which has already been mentioned. We would not have had the Spanish Inquisition. We would not have had witch hunts. There are so many things about religion historically that are amazingly awful.

What has surprised me today is how few people are here to defend religion. People have not defended religion today; even the Bishops have been very gentle, kind and appreciative of people like me. What has also surprised me is that this debate has been much more about humanism than about atheism. We have not had

any real atheists speaking about their views. I am not a humanist. I was elected vice-chairman of the Humanist All-Party Group a few years ago, and I told the members then that I was not a humanist. They said, "Don't worry, we are a broad church". Make what you will of it. I am very happy to be with humanists, but I am not one. I resist belonging to any organised group, and that is probably what stops me joining the humanists.

I do not denigrate religion for its own sake, but I find that some of the things for which religion has been responsible are just too awful to think about. Another thing that has not been mentioned today, which I think is extremely important, is the treatment of women. How has religion treated women through the centuries, and how is it still treating women? How many religious people are standing up to fight against that? What is happening to women? We have honour killings, women being beaten and mutilation, which has been mentioned already. There is no end of things. You may say, "It is the Muslims", but Catholics, particularly, are also greatly at fault. Every Catholic church in Africa says that it is a sin to have family planning or abortion. Children can be born and can die without food, but family planning or abortion must not be allowed. Where are the poor women to go? The men do not care. If a man in Africa has 10 children, he is seen as virile. He does not care whether his children live or die. I asked the new most reverend Primate the Archbishop of Canterbury to ask the Anglican churches in Africa to talk about family planning. He said, "I can't tell them anything. They will think us a colonial power", but he is the head of the Anglican Church and he should take responsibility to make sure that Anglican churches in Africa at least speak about family planning and look at issues about women's suffering. For that alone I think religion is to be condemned, because no religion so far has supported women through the ages. If they had, women would not be in the position they are today. I make that point very strongly because it upsets me greatly to see what is happening to women in the world.

The right reverend Prelate the Bishop of Birmingham talked about Mother Teresa. Really, Mother Teresa was stocking up for her sainthood. She campaigned constantly against family planning. She took the dying off the streets; what about helping the living? Did she help the living? No, she collected the dying. You have to help the living. You have to change people's views if you really want sainthood. I do not think sainthood is for people who think about what they are going to get in the next world.

Time is running on, so I will take just a few moments to tell you about the atheists I have most admired: Bertrand Russell; James Watson—I sat next to him at dinner once; Warren Buffett—I have not met him, but I would like to; Jeremy Bentham; and John Stuart Mill, who was Bertrand Russell's godfather. These people contributed to our thinking, to science and to making a better world. As far as creationism is concerned, the US is still struggling over whether creationism should be taught in schools; now there is also intelligent design, which says that something nudged the universe into creating humans or something like that.

[BARONESS FLATHER]

Finally, I became an atheist when I learnt about the Holocaust and read that 3 million Jews had been treated like vermin, and God had not lifted his little finger. I thought, “No, I do not need a personal God”. If he could not save 3 million people, he is not going to do anything for me.

3.26 pm

**Baroness Massey of Darwen:** My Lords, I am delighted that my noble friend Lord Harrison has secured this debate, which is proving to be very challenging, and I thank him for his vigorous introduction.

I shall not dwell on the growth of humanism or its many contributions to democracy and civil society—blasphemy laws, humanist weddings and other secular celebrations, educational equality and so on—nor shall I list prominent humanists and their wise or witty sayings. There are too many of them. I shall look briefly at how humanist thought has contributed to making the world a better place—all in seven minutes.

First, I will reflect on why I became a humanist. I think it was, subconsciously, when I was at school, although I was not aware then, or indeed for many years, of the term “humanism”. I studied religious education at A-level and was thrilled by the language of the Bible—Old and New Testaments—and moved by stories of self-sacrifice, pride, humility, friendship, human strength and frailty. I studied other religions as well and began to question why so many of their histories included wars, revenge, killings, verbal attacks, prejudice and bigotry, all in the name of religious faith. Others have raised this already. Of course, I have since met many people of religious faith, including in your Lordships’ House, who consistently condemn violence and preach tolerance and equality and the need to work together as human beings for a just and fair society.

During my later days at school, I began to think that I had formulated, however imperfectly, a personal code—a secular morality, if you like—which came not from a single god or gods but from curiosity about the human condition, how we function in a problematic world without being constantly shaken by hostile events and how we need the support of other human beings in our struggle to express ourselves and behave with grace and honour. It is a core of respect or appreciation for self and others. It is a belief in humanity—the knowledge that when things go wrong, someone of good will can offer support.

I also studied English and had the joy of coming across EM Forster. *Passage to India* was one of the set books—were we not lucky? It is not only a novel about the struggle for tolerance; it is thoughtful, provocative, humorous and full of characters struggling to find their place in the world—except perhaps the wise and profound Mrs Moore. I read EM Forster avidly and over and over. It did not register with me at the time that he was a prominent humanist and vice-president of the Union of Ethical Societies. I was simply captivated by the beautiful prose and the themes; for example, class differences in *Howards End*, which is prefaced by the phrase “Only connect”. *A Room with a View* is also about connections and *Maurice* explores class reconciliation in a gay relationship.

According to Forster:

“The four characteristics of humanism are curiosity, a free mind, belief in good taste, and belief in the human race”.

I can do no better than that. Apart from Forster’s novels, I also came across his book of essays, *Two Cheers for Democracy*, which is humorous, challenging and profoundly human. The essay “What I Believe” contains the essence of what, to me, humanism is about. Forster begins with personal relationships, saying,

“One must be fond of people and trust them if one is not to make mess of life, and it is therefore essential that they do not let one down. They often do. The moral of which is that I must, myself, be as reliable as possible ... reliability is not a matter of contract ... It is a matter for the heart ... What is good in people—and consequently in the world—is their insistence on creation, their belief in friendship and loyalty for their own sakes”.

Perhaps his greatest statement on humanism is:

“I do not believe in Belief. But this is an Age of Faith, and there are so many militant creeds that, in self defence, one has to form a creed of one’s own ... Tolerance, good temper and sympathy—they are what matter really, and if the human race is not to collapse they must come to the front before long”.

Having a creed based on such qualities is, for me at least, important. I do not think that it is in self defence, however, that people become humanists, but because of a more positive force, or forces: the force of seeking to connect with others as human beings, of caring for the welfare of others and of celebrating the human condition without the medium of a god.

I now turn to a thinker and writer I have discovered in recent years—Richard Holloway, the former Bishop of Edinburgh and Primus of the Scottish Episcopal Church, until he stood down in 2000. In the last chapter of his book *Leaving Alexandria*—Alexandria is his home town, north of Glasgow—he describes walking among the Pentlands and musing on the loss of religion. He says:

“Was religion a lie? Not necessarily, but it was a mistake. Lies are just lies, but mistakes can be corrected and lessons learned from them. The mistake was to think that religion was more than human. I was less sure whether God was also just a human invention, but I was quite sure religion was. It was the work of the human imagination, a work of art—an opera—and could be appreciated as such”.

I am one of those who think that one does not need to have a religion to behave ethically and morally. Holloway challenges religion as an authority, saying:

“Authority does not prove, it pronounces; rules rather than reasons; issues fatwas. It refuses to negotiate.”

Authority—in my own words—can also create dependence, which seems to be a negative force.

I believe that throughout the ages, questions about religion have been more convincing than the answers. The Sufi master and poet Hafiz, quoted by Holloway, said:

“The great religions are the ships  
Poets the life boats  
Every sane person I know has jumped  
Overboard”.

There are clearly risks in jumping overboard. It is best to be a good swimmer, to have a reliable lifeboat or to be within hailing distance of the shore. I believe, with many humanist thinkers and doers, that the risk is mitigated by having helping hands supported by a

common belief that we can solve problems and help each other. Humanism faces challenges with the confidence that it is in each other that solutions are found and that in reaching for solutions we collaborate and grow stronger. That is why I am a humanist.

3.33 pm

**Baroness Warnock:** I am very grateful to the noble Lord, Lord Harrison, for having a second go, as it were, at this debate, on what I regard as an increasingly important subject. I shall not say anything that has not been at least suggested already by the noble Baroness, Lady Whitaker, and my noble friend Lady Meacher.

This is an increasingly important subject because religious belief is, as we have heard, declining so rapidly, and, at the same time, there is an increasing perception that, especially among the young, the idea of morally good or bad behaviour—indeed, the concept of morality itself—is rapidly withering away. It is tempting, therefore, to conclude that these two phenomena are causally connected. I believe that this is a dangerous as well as a false conclusion.

Before explaining why I think that conclusion is dangerous, I should say a bit about where I come from. I am not a member of the British Humanist Association. I consider myself to be a Christian by culture and by tradition. I frequently attend services of the Church of England, and one of my greatest passions is church music, as sustained in the great English cathedrals and colleges, as well as the great oratorios and passions. I do not want the Church of England to be disestablished, and I regard my loyalty to the sovereign as loyalty to the head of the church as well as to the head of the state. Having said that, I suppose I should confess that I am an atheist. I do not believe in the literal truth of the narratives of the Judaeo-Christian religion, nor do I believe that it is sensible or realistic to urge people to “return to faith”, as we are sometimes urged. Nor do I believe that you can be urged, or comply with the urging, to believe something that you simply do not believe.

Much as I admire many of my non-atheistical friends and often envy them, I believe that they sometimes pose a danger if they insist that lack of proper religious belief, by which I mean literal religious belief, is the cause of lack of moral sense. To put it another way, it is dangerous to society to suggest that without religion, or in the aftermath of religion as some people have suggested, there can be no firm moral values and no shared or common ideals that can be universally worth pursuing. Such despair of the possibility of a morality which is other than mere whim is dangerous because we may be forced into a false dichotomy: either a morality based on dogmatic transcendentalism, which can authoritatively dictate on what is right and what is wrong, or no morality at all.

I am not a great lover of the concept of human rights, and certainly not as a foundation for morality because I do not think that they can be that, but at least the Universal Declaration of Human Rights has given us a way of understanding that there are some evils that no human being should be subjected to by another. If we hear of a country which has “an appalling human rights record”, we know what such

evils are. We also know that morality demands that we do not perpetrate such evils and that we seek as far as we can to alleviate them when they are suffered.

I hold that the many atheists who live and work in this country can contribute to the moral improvement of society—I insist on that phrase: the moral improvement of society—not necessarily by preaching or forming groups but by all the time being good teachers, whether professionally or as parents and mentors teach. I believe that moral education is the most important and most urgently necessary condition for the improvement of society. I am afraid that I do not altogether share the optimism of the noble Lord, Lord Maxton. Things are in many cases very depressing at the moment, especially among the young, but we do not do good by suggesting that they return to faith. They cannot believe things that they do not believe, but they can understand that there is a morality which can be shared and ideals which can be aspired to by everybody. Therefore, I sincerely hope that the contribution to this moral improvement that we must all hope for is celebrated and acknowledged by atheists and those who believe in God.

3.39 pm

**Lord Soley:** In his very welcome and detailed introduction to this debate, my noble friend Lord Harrison gave many explanations of what humanists have achieved over the years and I will not add to those details. However, I want to support and expand on the comments made by the noble Baroness, Lady Flather, about religions which claim to be religions of peace ending up fighting among themselves and killing large numbers of people. That problem has to be addressed, but I also want to consider why it happens. One of the reasons is that religion is similar to political ideology. If you lay down a set of assumptions, statements and beliefs that have to be accepted in order to become a member, you inevitably invite conflict and division. I am not a member of any humanist society, but I speak as an atheist and a natural humanist. The basic, underlying assumption of humanism, which is its strength and the reason for its great contribution, is that human problems are best solved by reason. If humanism made the mistake of trying to list the many things that would make you a humanist, it would risk doing exactly what happens with religion and some political ideologies. It would create structures where division and conflict become almost inevitable.

In debates like this it is useful to bear in mind that there is a difference between God and religion. You can believe in God without being a member of a religion. God is an idea: religion is a government structure and a social control structure. Neither of those is bad. I would absolutely agree with the noble and right reverend Lord, Lord Harries of Pentregarth, about where religion comes from. To human beings struggling to understand a world with terrifying natural forces like thunder, lightning, earthquakes, volcanoes, the idea of God or gods was a very useful way of achieving social control. You needed social control because, in order to survive, you needed to co-operate. Co-operation needs social control, so you build on it.

[LORD SOLEY]

If you then make the mistake of making all these assumptions things that you have to accept, nobody should be surprised if divisions rapidly occur.

One advantage of humanists is that not only do they not fight and kill each other in large numbers, they do not have problems about the roles of women and men, sexual identity, disability or any other similar thing. Trying to solve human problems by reason is the strength of humanism. I would disagree with my noble friend Lord Morgan that we have not had religious conflict. It may not be as bad as other countries but for a short time during the Civil War women had to cover their hair fully and were stopped in the streets by soldiers if they did not do so. The great advance brought by the Civil War to this country and the rest of the world was that it threw out the idea that the King was the representative of God on Earth. You no longer had the idea that you could not challenge your leader. In Iran at the moment, the Ayatollahs play that exact role. It will fail for similar reasons: ultimately, there will be a dispute about the correct interpretation. We get around that by having elections to throw out the person who thinks they have the right interpretation. If you are using a religious or God-based structure, you cannot do that. You have to rely on other things. It is amazing how we have, over the years, adjusted ourselves to this argument. I am a great fan of the sophisticated, politically astute sovereign, Queen Elizabeth I, who, struggling to prevent more and worse religious wars, came up with the wonderful phrase:

“I have no desire to make windows into men’s souls”.

She was trying to allow people to believe within a political structure which she had to manage but within which she opened up the possibility of tolerance. Such things are terribly important.

The problem for those who have an idea of God is not so much a scientific one. You can always move the boundaries back: the Earth was the centre of the universe at one time until that was disproved; the Earth was considered to be only a few thousand years old until that was disproved; and when we go back beyond the Big Bang, the boundaries will be moved again if you are looking for a scientific argument. The problem for people who believe in God is actually a moral one. The moral issue is that you have to accept that God created life in a form that has to survive off other forms of life. The malaria mosquito that stings the child is not doing it in order that the child can have a better life in future or can somehow rise above it; it is doing it because it has to survive and reproduce.

That was Darwin’s big contribution to us all; he showed that it was actually evolution. A question that has always fascinated me, and this is why I would have loved to have had an interview with Charles Darwin, is: why, when he realised the importance of evolution, did he suddenly go from being a religious person to being a non-religious person, or certainly a person who did not pursue religion, and go quiet about the whole issue? It was probably because he recognised that the survival of the fittest meant that life had been created—if that is what you believe—in a form in which it had to live off other forms of life.

That is the fundamental problem for anyone who believes in God, with or without a religion: it means that you no longer have a way of avoiding the problem that maybe yours is a cruel or, at best, a careless God, or something of that nature. A far better explanation is that in fact there is no God. The great strength of humanism and atheism, to my mind, is that they recognise that we do not need to worry about things like that so long as we recognise that human problems can be solved by reason. Built into that approach is the possibility of tolerance. I put this also to the noble and right reverend Lord, Lord Harries: tolerance is what takes you forward.

I do not share the rather dismal view of young people today; in many ways they are far better than my generation of the 1940s and 1950s. Obviously there are problems in some areas, but there are many good examples, too.

3.47 pm

**Viscount Craigavon:** My Lords, we should all be grateful to the noble Lord, Lord Harrison, for raising this subject and specifically for mentioning atheists in the Motion before us. I declare my position: I have long been an atheist, and for some many years have been a slightly fringe member of the All-Party Parliamentary Humanist Group.

Some of us might remember when the late Lord Dormand tried to keep that group alive, but the problem that he had for quite some time, which obviously no longer obtains, was the difficulty of filling the required Conservative quota for all-party groups. For many years that defeated him and we were unable to be a properly registered group, but nevertheless we could hold meetings. The All-Party Parliamentary Humanist Group is now in full health, as we have heard, and is well supported by the British Humanist Association, recently fresh from the achievement of inserting humanist marriage services into the same-sex marriage Act, with the invaluable help and persuasive skill of the noble Baroness, Lady Meacher, on which I congratulate her.

Fewer colleagues may also remember the late Baroness, Barbara Wootton, who was in the first group of female Peers in 1958. I remember the phrase, in recalling her being criticised, wrongly, for putting forward beliefs that she was told were able to be based only on the capital created by religion—or, rather, that she was accused of spending the capital passed down to us by religion. In those days, spending capital was rather more of a sin than it is today. I am not sure what has since happened to her formidable reputation, but she was fighting the battles of her time in the ways of that time. I mention such examples from the recent past as a reminder that, over time, we have successfully come a long way—for which I am not trying to take any credit.

The theme of most of what I want to say may be that it is no bad thing that we have moved away from previous certainties to what I would call constructive uncertainties—the rather amorphous humanist movement, on which it is sometimes difficult to get a firm handle, is testament to that. In his very good tour d’horizon the noble Lord, Lord Harrison, used a very nice phrase when he talked about those of humanist outlook.

I would also like to touch on the role of the church and faith, sometimes with the help of the work of Richard Dawkins.

A good example of such uncertainty is that provided to most of us by the extensive lobbying we recently received—from all sides—on the Marriage (Same Sex Couples) Bill. The different moral and cultural interpretations of marriage were evident even before this Bill arrived and, as one who supported it, the institution of marriage is now even more fragmented, which may be no bad thing. In fighting for this new right of marriage, what was not quite so apparent were the downsides for all sexes of its overall success or failure rate, the divorce rate and the modern extent of cohabitation—maybe all approaching 50% now or in the next few years, as in many other countries.

We can all hope, imagine and wish for happy families, but the reality may be very different. We are probably all aware of the assertion that families—sometimes meaning marriage and family life—are the best context for the most successful upbringing of children. Without having time now to go into the detailed argument, I think that is a misguided and a logically misconceived reading of causation.

One area where Richard Dawkins has been particularly prominent is that of rationality and faith. I find it extraordinary when he is sometimes accused of proselytising as much as those with whom he disagrees—that is his methodology is no different from those whom he opposes and he is using the same methods as those he is accusing. We have had some sort of ambulatory religious orthodoxy for many hundreds of years but putting forward and sustaining beliefs in a completely different category from questioning and challenging others' beliefs. Faith and belief is for many a necessary and understandable support to their lives, however stable or uncertain. One issue is how such beliefs might usefully be questioned or challenged. In a debate such as this, where we have a Minister replying, there is a limit to the role of Government. It might be that their task is to provide a level playing field, but at the same time accepting a particular starting point or set of premises. Criticism of faith schools, for example, is a justified area of debate, where the Government can be encouraged to play a useful part.

The question in the census, with whatever shortcomings, on religion has provided evidence of an official decline in religion, which according to Richard Dawkins' analysis still overstates the role of Christianity. The number of people who identified themselves as Christian in England and Wales dropped from 72% in 2001 to 59% in 2011; and the number of people who ticked "No religion" increased between those dates from 15% to 25%. The churches used the 2001 figure to claim support for their influence on public policy, but under Richard Dawkins' analysis using opinion polls, three-quarters of those claiming to be Christian did not think that religion should have any special influence on public policy.

I realise that opinion polls have an indirect connection with what happens in the real world. An example relevant to this debate and debates in this House is the commonly accepted figure that more than 80% of the population support some form of assisted dying; but

that is currently not reflected in the political will shown in this building, nor in the unusually unanimous opposition by the Bishops of this House. On that point, I am not saying that the church should just follow opinion polls; but one of the genuinely redeeming features of the presence of the Bishops in this House is their ready ability to split their votes on both sides of some controversial arguments. I was pleased, too, that in replying to the mention by the noble Baroness, Lady Meacher, of the assisted dying debate, the right reverend Prelate the Bishop of Birmingham said he would work hard to get that right in the upcoming debates on assisted dying.

In conclusion, I hope that the atheist and the humanist movements will continue to challenge constructively some of the foundations of the orthodoxies we have inherited.

3.54 pm

**Baroness Turner of Camden:** My Lords, I, too, am grateful to my noble friend for introducing this debate and for the manner in which he did so. I am myself a secularist and a humanist. I was not always so: my mother was a Roman Catholic and I was baptised in that religion. I gradually grew away from it in my teens, became a supporter of humanism and have remained so.

I respect others who continue to adhere to their religions; that is a matter for them. My objections occur only when religious hierarchies attempt to impose their beliefs on those who do not share them. We saw some evidence of that during our discussions on the Marriage (Same Sex Couples) Bill. We nevertheless went on to adopt it by a large majority. Humanists supported the Bill, but then most of us have been very concerned about the opposition to and frequent persecution of gay, lesbian and trans-sex people. We are delighted that the passage of the Bill indicates that we have moved on from the days of discrimination, and that era is over—at least, we hope so.

It is characteristic of humanism to believe in equality and goodwill between people, and therefore to be active in campaigns for human rights. It is gratifying to reflect on the improvements in women's rights that have been made in this country during the past century. Many of the major religions—although by no means all—have opposed the campaigns that achieved these advances. Certain religions are still extraordinarily bad about women's rights. In this country, we have an equality law. I would oppose any attempts to introduce Sharia law or practice, which is sometimes suggested. Our law is paramount. It is intended to protect women. I do not agree that culture or religion should prevent us from attempting to intervene.

One particular case about which a number of us feel strongly is that of FGM—female genital mutilation. It is against our law but there have been no prosecutions so far, although it is known that it damages thousands of women. Culture and religion should not get in the way of seeing that basic human rights prevail. That is what I hope will happen with FGM.

Unfortunately, despite the commitment of secular, atheistic and humanistic people to human rights, we are often attacked. Attention is sometimes drawn to

[BARONESS TURNER OF CAMDEN]

despotic leaders who have claimed to be atheistic. Many of these depots, of course, were adherents of their particular religions, but their religions are not blamed for their misdeeds. Stalin is often cited as an example of a tyrant who was an atheist. Of course, he was originally trained as a priest and converted only late in his teens when his training had been completed. Many believe, as do I, that his earlier training conditioned his approach to politics, so you had a political line that could not be crossed because otherwise there would be damnation or worse. That was how Stalin conducted his politics.

When I was very young and I loved poetry, the writer I loved was Shelley, a wonderful poet and of course a writer who supported atheism, much to his own disadvantage. My noble friend Lord Morgan has already referred to a number of historically significant people who were also atheist and set examples to us all. However, there of course continue to be attacks upon secularists and atheists from time to time. Typical of these are some of the criticisms of Richard Dawkins, someone whom I personally admire. He has written successful books attacking religious beliefs, but not people. He has also written movingly about the Bible, the King James version, acknowledging its cultural significance and also praising the beauty of its language. Nevertheless, he is often attacked as some kind of atheistic extremist, which I think is very unfair.

As I have indicated, secularists and atheists continue to play a major role in social affairs, in opposition to discrimination and in favour of human rights. There have been some successes. We should continue with this good work.

3.59 pm

**Lord Warner:** My Lords, I too congratulate my noble friend on securing this debate and pay tribute to his staunch commitment to humanism. I declare my interest as chairman of the All-Party Parliamentary Humanist Group. I should say that we need more Conservative members.

Belief is a very personal matter, heavily influenced by life experiences. I started off as a traditional working-class boy going to Sunday school and singing in the church choir, if you can believe it, although the main attraction of the latter was the payments for performing at weddings. Where did it all go wrong? Largely through education and, particularly, the reading and teaching of history: a hefty dose of Darwin, Crusades, Inquisitions and burning witches gets the questioning juices going. By the age of 15 I had total disbelief in any gods, apart from Denis Compton, or any creed based on the supernatural, an afterlife or organised religion. It looks to me as though an increasing number of young people in the United Kingdom are getting to this position as they move, quite swiftly in many cases, to reject religious belief. I should add that I have far more confidence in young people and their values than some have suggested today, particularly their capacity for mutual support of each other, which seems to me to be a strong, socially cohesive value.

The 2011 census shows the number of people identifying themselves as non-religious at 25%, up from 15% in 2001. Perhaps more significantly, people with no religion had a much younger profile, with four in 10 of those with no religion being under 25. The British Social Attitudes survey has shown an even sharper move away from religion, with 41% of people surveyed in the census year saying that they had no religion. The BSAS subsequently looked in more depth at religiosity. This revealed that in 2012 half the population did not regard themselves as belonging to a religion, with this rising to nearly two-thirds of 18 to 24 year-olds. Only 14% of people attend a religious service weekly.

Why should we take these data seriously? As the BSAS said:

“Getting an accurate picture of the importance of religion in people’s lives matters; not least because it influences the role of religion in policy making and public life, and helps guide the allocation of funding and resources”.

What is taking place in our society is generational replacement. Older, more religious generations are dying out and being replaced by generations without any religious beliefs. I hope that I can stick around long enough to see further progress.

The data suggest that Governments and parliamentarians should be more cautious about listening to religious interests when changes in public policy are under consideration. We all know what these policy issues are because they are debated often enough in this House—abortion, assisted dying, embryo research, faith schools, employment law, and discrimination. A whole raft of these issues regularly features. On the optimistic side, I think that we crossed a Rubicon in this House when many noble Lords drew on the views of younger generations in framing their views and casting their votes on gay marriage. Governments now need to pay less attention to the views of organised religions in the framing of public policy and treat them like any other pressure group. Their views should be listened to but given no more weight than any other set of interests.

The media, especially the public broadcasters, also need to think about these changes taking place in the beliefs of their viewers, listeners and readers. How does the BBC reconcile a head of religious affairs with a quest for younger audiences? Perhaps more controversially, what about the constitutional implications for the monarchy? How can a sovereign be crowned as a defender of the faith if not only a minority of the citizens do not hold that faith, but the majority have no faith at all? On current trends that could well be the situation before the latest royal arrival comes to the throne.

I am not a fundamentalist secularist but I have concerns about the growing tendency to shape public policy in response to religious interests when the evidence shows that our society is moving away from religious belief. Groucho Marx posed the question, “Would you want to join a club that let me in?”. I am very happy to be a member of a club that includes, among others, JK Galbraith, Aldous Huxley, Margaret Sanger, Robert Oppenheimer, Bertrand Russell, Jonas Salk, James Watson, Gore Vidal, Mark Twain, Philip Pullman and Sigmund Freud. I could go on, but I

thought that I would give noble Lords a list of personal heroes. It is a cause for celebration that more people in the UK seem to be moving toward that club's membership. The data suggest that the tide of UK history is moving against religiosity and politicians, the media and the monarchy need to reflect on that.

4.05 pm

**Lord Taverner:** My Lords, I apologise for speaking in the gap, but I realised only late last night that I had the opportunity to take part in this debate. I will add a few words about science, the discipline which, more than any other, depends on reason and regard for evidence. For me, the scientific approach lies at the heart of humanism as well as atheism.

We all accept that science has made us healthier and wealthier. What has been seldom acknowledged or realised is that since the Enlightenment, which it helped to bring about, science has played an essential part in making us more civilised. Science is the enemy of autocracy because it replaces claims to truth based on authority with those based on evidence and because it depends on the criticism of established ideas. Scientific knowledge is the enemy of dogma and ideologies and makes us more tolerant because it is tentative and provisional and does not deal in certainties. It is the most effective way of learning about the physical world and therefore erodes superstition, ignorance and prejudice, which have been causes of the denial of human rights throughout history. Science is also the enemy of narrow nationalism and tribalism and, like the arts, is one of the activities in this world that is not motivated by greed.

What can compare, for example, with the recent achievement of the Large Hadron Collider, a venture of collaboration by 10,000 scientists and engineers from 113 countries, free from bureaucratic and political interference? Those people put aside all national, political, religious and cultural differences in pursuit of truth and for the one purpose of exploring and understanding the natural world.

Without the contribution of science, which is, in my view, the rock on which atheism and humanism are built, we would be less inclined to be critical, tolerant and understanding and more prone to prejudice, bigotry and tribalism. We would be a less civilised society.

4.08 pm

**Baroness Royall of Blaisdon:** My Lords, I, too, am grateful to my noble friend Lord Harrison for providing me with an opportunity to listen to a truly fascinating and wide-ranging debate. I regret that I did not have time to research and read about the religious and philosophical issues that have been raised this afternoon, but my appetite has certainly been whetted and my summer reading pile will certainly be added to as a consequence.

At the moment my head is spinning, but I know that I am proud to be a member of the pluralist Labour Party. I have not had time to clarify my own thoughts but I envy those noble Lords who are so sure

of their own beliefs or non-belief. I respect those of all religions and none but I do not respect intolerance in any shape or form, and I utterly condemn oppression and certain practices which are carried out in the name of religion.

I was brought up in the Church of England and it shaped much of my life and my values. However, I now find that I share the view expressed by the noble Lord, Lord Rees, who said in an interview after he had been awarded the Templeton Prize that although he has no belief he goes to church, which for him is, "a common traditional ritual which one participates in as part of one's culture".

It truly is part of my culture. I love the words and the hymns and I go to church from time to time. There is a certain chapel with the most beautiful stained-glass windows in Gloucester Cathedral where I find solace, but I have no belief in a god or in an afterlife. Does that make me an atheist or a humanist? I do not know, but I certainly espouse the ideals of humanism, so perhaps I am a humanist who likes going to church and who delights in the Church of England's compassion, companionship and culture. I feel comfortable, however, not having any sort of classification; perhaps I am like the verger mentioned by the noble Baroness, Lady Meacher. Like her, I certainly support the Assisted Dying Bill.

As this debate has confirmed, the distinction between humanism and atheism is blurred, but the universal values of humanism are clear—respecting and promoting freedom, democracy, human rights and the rule of law; celebrating human achievement, progress and potential; being co-operative, and working for the common good. Those are values that are of course shared by the great religions.

**Baroness Flather:** The noble Baroness said that the distinction between humanism and atheism is blurred. I think that humanism is a group activity, while atheism is totally personal—it is different.

**Baroness Royall of Blaisdon:** I accept that, but many atheists are also humanists. I do, however, hear what the noble Baroness says.

We have heard this afternoon of many extraordinary British citizens who have made huge contributions to UK society—writers, scientists, philosophers—and today we celebrate the fact that they were atheists or humanists and have made very fine contributions. Most people, however, when learning the economics of Keynes, reading a novel by Ken Follett or Kingsley Amis, listening to a glorious piece of music by Vaughan Williams, or admiring the ceramics of Grayson Perry or a gown by Alexander McQueen, would not know that they were atheists. I was stunned, for example, when I looked at a list of great writers who were or are atheists and humanists, but that is my own ignorance.

There are millions of people today, as throughout history, who are non-religious and who believe that there is no afterlife and that the universe is a natural phenomenon. They conduct their good lives according to a moral code, without the aid of gods or scriptures, but on the basis of reason and humanity.

[BARONESS ROYALL OF BLAISDON]

However, they have no idea that they are humanists. If there were greater acknowledgement of the vast contribution of humanists to our country, I wonder whether more people would consider themselves to be humanists and would, for example, opt for a humanist funeral for themselves or their loved ones. More than 600 couples in England and Wales already choose to celebrate their marriage with a humanist ceremony, so I am delighted that, thanks to the amendment tabled by noble Lords and passed in this house, couples of the same and opposite sex will, in the not-too-distant future, be able to choose a humanist marriage. I am proud that noble Lords, as has been mentioned, were able to achieve this in the Marriage (Same Sex Couples) Act. This Act opens up marriage to more couples who love and commit to each other, so it is fitting that it will also open the way for humanists to marry in a ceremony that reflects their own deeply held beliefs. I agree with noble Lords that the shift in opinion in our own House is the result of the influence of younger people who are free of the burden of discrimination.

For me, it is not people's beliefs or lack of belief that is important, it is their values, the ethos that governs their life and actions, and the beauty or excellence of their creation. Christians, Sikhs, Jews, Muslims, and Zoroastrians delight in the music of Sir Michael Tippett, or are gripped by the novels of Iain Banks. Atheists and humanists love the poetry of William Blake and the architectural glories of our cathedrals. My late husband Stuart was an atheist. He had strong values and a clear moral code, with which he imbued our children, but he often read the King James version of the Bible; he loved the beauty of the language, while tending towards the Marxist view that religion is the opium of the masses. I do not accuse the church or any other religion of capitalising on poverty or ignorance, but it is a fact that, all over the world, many poor people and those who have little or no access to education cling to religion in the hope of a better afterlife.

One of the questions raised many times today is about the place and influence of religion in our society: does the fact that there is a shift away from religious belief, especially among the young, mean that our society is suffering in some way? There are many reasons why society is changing, often for the better, and why lives are becoming more difficult, but I do not think that lack of religion is one of them. Of course, I recognise the invaluable role that churches and religions play in bringing people together and providing support, especially for the vulnerable. However, that coming together must not result in intolerant tribalism.

While I do not doubt the ability of young people to support each other, which has been mentioned, I agree with the noble and right reverend Lord, Lord Harries of Pentregarth, that perhaps humanists and Christians should work together in the search for a moral vision for the future, to counter the rampant individualism that has taken root.

It is rightly said, and was said during a debate on an Oral Question last week, that religious schools are often found in the most challenging areas and that

they provide an excellent education. This is true, but many non-religious schools are also found in difficult areas and provide an excellent education. While I salute the work of, for example, Church of England schools—there are many in my own forest community—any school with strong leadership can provide a safe microcosm of a good society in which pupils can learn and grow. In that short debate, noble Lords made important points about the crucial need for integrated education in order to ensure community cohesion.

History is littered with conflict between those of different faiths and between those of faith and those of none, but the existence of the 24-hour global media means that tensions elsewhere in the world have a powerful influence on our own communities, which as a consequence feel fragile. I worry that the proliferation of religious schools, including free schools, could mean that tolerance, understanding and community cohesion could be diminished. As the right reverend Prelate said, we must work together with respect, and we must respect each other.

Clearly, the shared values that underpin a school, together with the nurturing of tolerance and understanding, are of the utmost importance, as is the curriculum. I was interested to see that the new national curriculum published earlier this month includes in the primary curriculum for the first time a module on evolution. While this represents significant progress from the current national curriculum, which is to be warmly welcomed, the British Humanist Association points out that it is also a serious step back from the draft programme of study, which included a module on evolution in year four. I certainly support the Teach Evolution, Not Creationism! campaign.

In the past few years we have had debates in this House on freedom of speech and freedom of religion in relation to the Equality Act and, most recently, the same-sex marriage Bill. These freedoms are the cornerstone of our democracy. I was delighted to learn that in June the European Union council of foreign affairs Ministers adopted new guidelines to help the EU promote freedom of religion and belief in countries outside the EU. They protect the non-religious as well as the religious. They also protect the right to change or abandon one's belief, and the right to freedom of expression, including the right to criticise or mock religion or belief. They commit to protecting individuals and individuals' rights to hold beliefs, but not to protecting the beliefs themselves. Does the Minister agree that this implies that the European Union will recommend the decriminalisation of blasphemy offences in non-EU countries? I certainly hope so.

Many great atheists and humanists have been mentioned this afternoon, but I will end with a quote from Thomas Paine, a British citizen who made an invaluable and incalculable contribution to the world. In *Rights of Man*, he wrote that,

“my country is the world, and my religion is to do good”.  
Amen to that.

4.18 pm

**Lord Ahmad of Wimbledon:** My Lords, first, I congratulate the noble Lord, Lord Harrison, on securing this most informative and interesting debate. As has been seen in the contributions of all noble Lords, it has been one of great reflection, certainly for me. Standing at the Dispatch Box, I feel that I am in something of a minority—not for the first time, I might add—as someone of faith. Various noble Lords mentioned where they were coming from. My qualification is that I am Muslim by faith and Christian by primary education. My two closest friends are atheists and I am a Member of a House that reflects our country, which is made up of people of all faiths and of none, of humanists and of atheists. Equally, I am a citizen of a country that allows people to profess, propagate and practise their faith freely, whatever beliefs they have—something of which we should all be tremendously proud. The noble Lord, Lord Soley, talked about Queen Elizabeth I. She set that structure for allowing us the freedoms and liberties that we enjoy today, and long may they remain with us.

This Government have rightly placed considerable emphasis on working effectively with religious groups and celebrating faith, and the contribution that people of faith make to local and national society. That perhaps means that we have had less opportunity to make clear our view that religious belief is not a prerequisite for public service. There are people who choose to follow a non-religious, atheist or humanist belief path who clearly have as much commitment to the public good as people of faith, and who are serving society in many different quarters and ways. The Government fully recognise and welcome their contribution to the life of our country.

This country is a stronger place because of the diversity of our beliefs and people, and the values that British people hold. Unlike other countries, we have in Britain no register of acceptable religions and beliefs. This is to be welcomed. We do not judge people on what they believe, but we respect them for what they stand for and contribute to our society and country.

Noble Lords have furnished many examples of public service by atheists and humanists, historically and in the present day. I have a couple of my own. The National Federation of Atheist, Humanist and Secular Student Societies has a non-profit week, an annual event, during which it harnesses the enthusiasm and commitment of students to raise money for charities such as Children in Need, Amnesty International and Médecins Sans Frontières. Day in, day out, as the noble Lord, Lord Harrison, mentioned, there is the silent service of humanist chaplains providing pastoral support to non-religious people in hospitals, prisons and universities alongside our religious chaplains. This work is essential to ensure that non-religious people and those of no faith, and humanists and atheists, can get the support that they need in times of difficulty.

There are personal examples. In the spirit of the coalition, I look towards the Deputy Prime Minister, Nick Clegg, who has declared that he has no religious faith, but who has the strongest respect for all faiths. I could see this when I attended an event with my right honourable friend and the honourable Member for

Tooting, the right honourable Sadiq Khan. We came together at this event as political parties and communities in the aftermath of the tragic murder of drummer Rigby in Woolwich, to demonstrate the solidarity of people across all faiths, cultures, communities and religions, and those of no faith, and to show that we stand together solidly in the face of extremism, and to fight it and all acts of inhumanity.

Diversity of religion and belief is well reflected in your Lordships' House. We have heard some stirring contributions from atheist and humanist Peers. I make that distinction clear. I need only to look at the Bishops' Benches again to recall the wise counsel of right reverend Prelates on many occasions. That has been demonstrated by the contribution today of the right reverend Prelate the Bishop of Birmingham. In recent years, Catholic and Free Church, Church of England, Muslim, Hindu, Sikh, Jewish, Buddhist and Zoroastrian Peers, and humanist Peers and those of no faith, have constantly enriched the contributions of this House. Long may that continue.

This House is a microcosm of the society that this Government want to see: a place where individual freedoms are protected and that is open to all on merit, accepting of difference and where people of different backgrounds come together to achieve shared goals. The noble Lord, Lord Harrison, has served with great distinction as the chairman of the Economic and Financial Affairs Committee. If I may presume to guess his motives for doing so, it is partly because of his belief, which I am sure that the great majority of your Lordships share, that a strong code of ethics should underlie economic and financial dealings, privately and at the level of the state.

This code of ethics owes as much to ancient philosophy, with Aristotle arguing that those with wealth have a moral duty to maintain virtue in their business dealings, as it does to Judaeo-Christian thought. Adam Smith, another person who never invoked God in his work, laid the foundations for modern business ethics. Humanist thinking, as we have heard from various contributions—the noble Baroness, Lady Whitaker, mentioned George Eliot and Isaac Newton—has contributed greatly to the development of our culture over the centuries and continues to do so today. The noble Lord, Lord Warner, raised this issue as well. Given all these examples and precedents, noble Lords may wonder why the Government have frequently referred in public statements to the contributions of faith communities to public life but perhaps have not paid equal tribute to the work of humanists and atheists more generally.

Simply put, it is because those without religious beliefs are serving the community through a huge range of charities and initiatives but, for the most part, do not primarily identify themselves as atheists. Put another way, an individual with a humanistic or non-religious belief may choose to work in an international aid agency, for example, or for a homeless shelter but I doubt that many would argue that they are doing so because they are motivated by their atheism. They are doing so because they feel it is right and, in their view, plain and simple humanity to do so. That point was well made by the noble Baroness, Lady Massey.

[LORD AHMAD OF WIMBLEDON]

In faith communities, people are working hard in countless churches and other places of worship, and in charities and community groups, to serve their neighbours and improve their local communities. They, too, are driven by humanity but in part are also inspired to do so by their religious faith. Yet as atheists or as a follower of religion, humanity belies our common values. It unites us. The noble and right reverend Lord, Lord Harries of Pentregarth, talked of a meeting of colleagues with humanist values and Christian humanists acting collectively. Perhaps I should extend that to all humanists: humanism lies, I would argue, in all faiths. I support that attribute. Indeed, the noble Baroness, Lady Warnock, talked about moral education and the improvement of society, which is not the work of any one religion or community. As several noble Lords have said, it is a collective responsibility. This means that there is a distinctive, long-enduring and powerful well-spring of positive social action in all our communities.

This is not the place to talk in detail about the different forms of social action that faith communities are involved in, although it would not make sense for us as a Government to fail to take account of the fact that the churches, for example, have an extensive national framework of buildings, experience and volunteers that puts them at the very heart of service delivery to the homeless and others in need. We recognised that when we invested £5 million in the Church Urban Fund's Near Neighbours programme, which uses the infrastructure of the Church of England to build productive working relationships between people of different faiths and none at a local level in five key localities in England, thus maximising the impact of faith-based social action and creating more integrated communities. I should note that beneficiaries of Near Neighbours projects are from all faith backgrounds and none.

As regards other Christian denominations, Catholic social teaching plays out in a wide range of projects linked and resourced by the Caritas Social Action Network. Through the work of the Muslim Charities Forum, my own Muslim faith, Islam, increasingly focuses on addressing social needs within Britain as well as abroad. The Hindu community has Sewa Day to focus on volunteering projects; the Jewish community has Mitzvah Day; and there are other projects.

There are those who perhaps feel that there is a hidden motive with religious people to get involved in social action—perhaps winning converts with the promise of a free bowl of soup. Unfortunately, this attitude lingers in some local authorities, where at times there is still reluctance to commission services from faith groups. The recent *Faith in the Community* report by the All-Party Group of Christians in Parliament shows that this view is very much a minority one, thankfully. These days, councils are generally keen to work with faith groups. However, even where local authorities have recognised what faith groups have to offer and have commissioned services from them, they are sometimes expected to be silent about their faith. Let it be clear that although local authorities are legally at liberty to impose such a condition, we do not regard it as reasonable.

In the Government's view, it clearly is right that, if asked, churches and other faith groups should be able to be open about their religious motivation. The vast majority of faith groups delivering services seek to impose religious beliefs on no one. Indeed, it is reported that many actively avoid discussion of religion, as they know this can be a barrier to offering practical help to those in need. It goes without saying that where a charity or a community group is non-religious or indeed atheist by nature, it should stand exactly the same chance as a religious group of winning a commission from a local authority to run a service. If it has the skills and the experience, and can offer value for money, it should get the job. The noble Lord, Lord Layard, talked about happiness and the importance of different groups getting the right people involved. I am marked by one of my people who I have looked to for motivation. That is Mahatma Gandhi, who in his time said that:

“The best way to find yourself is to lose yourself in the service of others”.

As well as being inspired by religious beliefs to serve the community, faith groups and religious leaders have distinctive perspectives—let us say wisdom—that are of value to public discourse and policy development. That is why my noble friend Lady Warsi sits at the Cabinet table as the first ever Senior Minister for Faith and Communities, to ensure that these perspectives are being heard and that the contributions of faith groups are recognised. But, crucially, atheists and humanists bring important insights, alongside those of religious faiths, to issues around personal freedom and responsibility. My noble friend is also at the Cabinet table to defend the interests of people with humanist or secularist views who feel that their perspectives are failing to receive a fair hearing. The Government continue to meet the British Humanist Association, and I would be willing to facilitate a meeting with my noble friend if that would be helpful. Part of the role of officials in the faith team in her department is to put faith groups in touch with different parts of Whitehall as necessary, and of course this offer extends to secularist and humanist groups. For instance, officials have facilitated discussions over equalities issues, which several noble Lords have mentioned and in which I know humanists continue to take a strong interest.

In Britain, 25% of the population at the last census described themselves as having no religious belief, and that is their absolute right. Indeed, it was a point made by the noble Baroness, Lady Meacher, and the noble Lord, Lord Harrison, in opening the debate. They are equally able to express their views freely but as the noble Baroness, Lady Royall, has just pointed out, that is not always the case abroad, where people with atheist views face very real persecution if they are open about them. The noble Lord, Lord Harrison, also made this point. Noble Lords will be aware that my noble friend's Commonwealth role includes defending the right to freedom of religion or belief internationally, and that includes the right not to have a religion. I note what the noble Baroness said about the blasphemy laws that we see operating outside the European Union. Unfortunately, while one thinks that the defending of faith may be a good principle, the way they are applied

is deplorable, and certainly the Government stand ready to challenge them wherever we see abuses occur. I join with the noble Baroness in those sentiments.

The noble Baroness, Lady Whitaker, raised the issue of freedom of religion. I can inform her that in December last year we held an international conference in London on freedom of religion or belief which specifically considered the rights of those with non-religious beliefs. Humanism, of course, is a belief system. My noble friend was commended by the chief executive of the British Humanist Association for emphasising that freedom of religion and belief also means freedom from religion. We also regularly speak out against violations of the right to freedom of religion or belief wherever and whenever these occur. We do so in the context of freedom for all, including the right not to have a religion. A violation of the freedom to believe or not to believe is an attack on us all.

Perhaps I may now pick up on a few points that were made in the debate, and I apologise to noble Lords if, due to the time restriction, I am not able to mention them all. The noble Lord, Lord Harrison, talked about an equal distribution of faith and non-faith representatives on the Bishops' Benches. I, for one, would say that we have repeatedly seen the value of the contributions from the Bishops' Benches. I also note that the representatives of the minority faiths have expressed their approval of the continued presence of Bishops in your Lordships' House. For now, we can certainly see that we have across the House representatives of different faiths, albeit in a personal capacity.

The noble Lord, Lord Harrison, also raised the issue of the Cenotaph. I understand that at present there are no plans to review participation at the Cenotaph ceremony, but I am willing to take the matter up once again with departmental Ministers. He mentioned the Zoroastrians, but let me assure noble Lords that their participation last year was in recognition of their 150th anniversary, and was just a one-off.

The noble Baroness, Lady Whitaker, raised the issue of the syllabus and religious education in schools, as did the noble Lord, Lord Layard, and the noble Baroness, Lady Royall. There is certainly no reason why a humanist presence should not be included in the standing advisory councils on religious education, which help set local religious education syllabuses. That is important to note.

The right reverend Prelate the Bishop of Birmingham talked about encouraging religious people and atheists to co-operate. As I have already said, I quite agree with those important sentiments. Dealing with the society we live in today means encompassing people of all beliefs and, indeed, those with no belief.

The noble Lord, Lord Morgan, gave us insight into various developments in a very interesting contribution. He mentioned his book and his writings of 50 years ago and I hope that what has been captured by *Hansard* will revive the prospects for further sales of the book.

I turn for a few moments to an important point about religion that was taken up by the noble Baronesses, Lady Flather and Lady Massey, and the noble Lord, Lord Maxton. I would take issue with the suggestion that religion is the cause of many of our problems. If you look at religions and their pure scriptures, any

religion that seeks to promote terror or extremism is, frankly, no religion whatever. It is not so much the religion as that, unfortunately, in every faith you will find people who take a perverse interpretation and seek to apply it in their own way. We will continue to challenge any kind of extremism wherever we see it. I disagree with the noble Baroness, Lady Flather, on Mother Theresa—I believe that she was a selfless person who devoted herself to the cause of humanity and the cause of the living.

We have only a few minutes left. Other noble Lords raised various issues and I will of course write to them on the points that I have not been able to get to. The noble Baroness, Lady Flather, and other noble Lords talked about the oppression of women. The Government take this issue very seriously. Our record on tackling FGM is quite clear and the Home Office has launched a one-year pilot scheme, aimed at ending violence against women and girls in the UK. This is a real blight on the world and something that we need to see ending as soon as possible.

This has truly been a fascinating debate. It has been an eye-opener for me and, in preparing for the debate, I looked into humanism. I will reflect on a very personal point, if I may. As I said, Britain is an incredible country in which we respect people of all faiths and all beliefs. I end with a quote not from a famous person, but from my best friend—an atheist—on the day of my wedding, in his capacity as a best man. He said: "Tariq and I have known each other for nearly 20 years. During that time, there were occasions he sought to convert me to his faith of Islam. I, for my part, have, at times, sought to convert him to mine of beer and rugby. Neither succeeded, but we remain the closest of friends, based on the mutual respect of each other". That has certainly been reflected in the debate today.

**Lord Harrison:** My Lords, I hope I will conclude this debate in the spirit in which it has been conducted. I thank all who have contributed to such an interesting debate. My noble friend Lord Grocott could not be with us today, although I asked him, as he participated last time. He told me that he thought we ought to have this debate every year. We have had inspiration from the noble and right reverend Lord, Lord Harries of Pentregarth, as to some of the changes we might make to the title of the debate. All I can say to the noble and right reverend Lord at the moment is that we atheists and humanists may seek answers but, more importantly, we seek questions.

I end by mentioning a family member, my wife's aunt, Florence, who served with great distinction in South Africa, working for Bishop Desmond Tutu. She should have been a senior person in the church, but was not. My wife describes herself as an Anglican atheist, and whenever we go into the churches we so admire, we light a candle for Florence. I last did so when I went into Lichfield Cathedral last year. I did it not because I am a Christian but because she was a Christian, and a very good one too. In that spirit, I hope that we can continue the debate and the dialogue on future occasions, with my noble friend Lord Grocott in attendance, and with the same spirit as today.

*Motion agreed.*

## National Health Service (Licence Exemptions, etc.) Regulations 2013

*Motion to Approve*

4.40 pm

*Moved by Earl Howe*

That the draft Regulations laid before the House on 4 July be approved.

*Relevant document: 8th Report from the Joint Committee on Statutory Instruments.*

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** My Lords, the regulations that we are now considering, which were laid before this House on 4 July, exempt some types of providers of NHS services from the requirement to hold a licence from Monitor. Providers who will not be required to hold a licence are as follows: NHS trusts; providers which are not required to register with the Care Quality Commission; small providers of NHS-funded healthcare services whose annual turnover from the provision of NHS services is less than £10 million; providers of primary medical and dental services; and providers of NHS continuing healthcare and NHS-funded nursing care.

The Health and Social Care Act 2012 gave Monitor a new role in regulating providers of NHS services, and the licence is a key tool for Monitor in carrying out its new functions. The Act strengthens sector regulation by building and improving on Monitor's previous role as the regulator of foundation trusts and makes sector regulation more comprehensive by extending Monitor's role to all providers of NHS services. While the 2012 Act allows licensing to apply to all providers of NHS services, these regulations provide for exemptions to this requirement for certain types of provider where the licence would not give additional protection for patients or would impose an unfair burden on providers.

Regulation 2 defines a licence holder as the legal entity responsible for delivering NHS services to patients, the body receiving NHS funding and providing care directly to patients. This approach mirrors that for CQC registration. Regulation 2 also ensures that, where a provider has subcontracted elements of a service, the subcontractor is considered a separate entity and thus in need of a licence.

Regulation 3 confirms that no exemptions apply to foundation trusts. This is consistent with the position under the 2012 Act that all foundation trusts must hold a licence.

Regulation 4 provides that NHS trusts will not be required to hold a licence. This is because directions from the Secretary of State require the NHS Trust Development Authority to set and enforce requirements on NHS trusts similar to those set by Monitor's licence. The NHS Trust Development Authority must seek and consider advice from Monitor in setting these conditions to ensure that the requirements for NHS trusts will provide similar protection for patients' interests compared with those set by Monitor through the licence.

Under Monitor's licensing regime, a commissioner may request that a service be subject to additional regulation to ensure patients' continued access to that service. Any provider of such commissioner-requested services will not be eligible for an exemption under the regulations even if the provider otherwise qualifies for an exemption. Where commissioners have designated a service as a commissioner-requested service, Monitor must be able to intervene in order to secure continuity of that service. I should highlight to the House that this particular override would not apply to NHS trusts because the NHS Trust Development Authority will be able to undertake similar interventions on an NHS trust which becomes unsustainable. Regulation 9 provides for this.

Regulation 5 provides for an exemption from the requirement to hold a licence for providers of primary medical or primary dental services under contractual arrangements made under Parts 4 and 5 of the National Health Service Act 2006 with NHS England. NHS England will ensure that such providers comply with requirements that will ensure equivalent protections for patients.

4.45 pm

Regulation 6 ensures that providers of nursing care, which is defined in the regulations as,

"NHS Continuing Healthcare or NHS funded nursing care",

will not be required to hold a licence. An increasing number of providers of adult social care attract NHS funding for nursing care as part of a social care package. This avoids pre-empting the proposals in the Care Bill for market oversight of providers of adult social care. This exemption is time-limited to 31 March 2015, and the department will review it and determine whether it should continue to apply beyond that point.

Providers that are not required to register with the Care Quality Commission will not be required to hold a licence. Providers are prioritised for registration by the CQC on the basis of potential risk to patients. The department will keep this position under review; in particular, we will consider potential changes to the scope of CQC registration.

Regulation 8 exempts providers with less than £10 million annual turnover from the provision of NHS services. It is the Government's policy to avoid regulatory burden on small and micro enterprises. Regulation 8 also defines applicable turnover for the purposes of the £10 million threshold as turnover from the provision from NHS services. Consistent with the exemptions provided for by Regulations 5 and 6, turnover from the provision of primary medical and primary dental services provided under Parts 4 and 5 of the NHS Act 2006 and from nursing care is not considered applicable turnover.

Regulation 9 provides that, where NHS England or a clinical commissioning group considers that a service is a commissioner-requested service, the provider ceases to qualify for an exemption under Regulations 5, 6, 7 or 8. Regulation 9 also sets a condition on exemptions conferred by Regulations 5, 6, 7, or 8 and provides for the Secretary of State to withdraw exemptions from a provider that does not comply with the conditions.

These regulations allow Monitor to carry out its regulatory duties through the licence in a targeted and proportionate way, while ensuring that patients' interests are always the overriding factor. I commend the regulations to the House. I beg to move.

**Lord Hunt of Kings Heath:** My Lords, I am sure that the whole House is indebted to the noble Earl for his lengthy explanation of the order before us. I just want to ask him three or four questions.

I noticed in the Explanatory Memorandum that there is an intention to review how licences are working and that it is to take place during the next Parliament. I must say that I thought it was rather presumptuous of officials to assume that this will be done. Of course, it is for me to point out that Governments cannot bind their successors to action to be taken, so I look forward to a Bill that will perhaps do away with some of the requirements that will be necessary.

The noble Earl will not be surprised if I ask him a question about the NHS Trust Development Authority. Reference was made in his remarks and in the Explanatory Memorandum to the relationship of the NHS TDA to the other regulatory bodies. Can he update the House on how long he now thinks that the NHS TDA is likely to be in existence? Of course, this relates back to the question we debated in the Bill, which is: what is his expectation in relation to non-foundation trusts and the pipeline, if you like, towards foundation trust application? Can he also give an indication of which services are likely to be designated as commissioner-requested services?

Paragraph 7.15 of the Explanatory Memorandum says that Regulation 7,

"exempts any provider that is not required to register with the CQC from the requirement to hold a licence from Monitor ... This exemption would cover, for example, providers of ophthalmic services".

Can the Minister tell us the rationale for why ophthalmic services are excluded? Is it to do with the fact that they are regulated in a different way?

The Explanatory Memorandum, at paragraph 7.16, says that NHS England is,

"well placed to enforce standards in relation to primary medical and dental services".

As there has been a considerable amount of debate in the last few months about the quality of primary medical services and out-of-hours performance, can the Minister say anything about how NHS England will go about its business in ensuring standards in primary medical services? There are questions about whether it has the capacity to do that, and any reassurance on this subject would be welcome.

Finally, on exemptions, as I understand it, CCGs, when commissioning services from GP practices, are not exempted by Regulation 5. However, if the practice is large and goes over the £10 million threshold under Regulation 8, it may be covered, whereas if its turnover is below £10 million it is exempt under Regulation 8. The Minister will know that when we debated the Bill that became the Health and Social Care Act 2012 we had a great deal of debate about conflicts of interest. I have never been satisfied that that problem has been resolved satisfactorily. If, under these arrangements,

CCGs are commissioning services from GP practices—remember that those practices are members of the CCG, so there is always a potential conflict of interest—I would have been more reassured if there had not been an exemption for practices with a turnover of less than £10 million. I would have thought that most traditional GP practices would fall below that threshold.

I understand the rationale for not wanting to catch small businesses under the regime, but does the Minister accept that when CCGs are commissioning services essentially from themselves—in the sense that GP practices make up the CCG—greater safeguards should be built into the regulations?

Other than that, these regulations are unexceptionable. I should, of course, remind the House of my interests in health, as president-elect of GS1, chair of a foundation trust and a consultant and trainer with Cumberlege Connections.

**Earl Howe:** I am grateful to the noble Lord for his questions, some of which I shall write to him about. He first asked me about the review of licensing exemptions that the department plans to carry out in 2016-17. He is, of course, right to say that no Government can commit their successor, of whatever colour, and it will be open to a successor Government, if it is of his party, to revise that aspiration. However, we think it right that after such an interval, the department should look to see whether the exemptions are continuing to prove appropriate, and if they are not it should propose amendments. I do not think that is a very controversial aim.

On the working life of the NHS Trust Development Authority, it will not have escaped the noble Lord's notice that the original lifespan that we marked out for the TDA will now be exceeded. We have quite consciously, and rightly, determined that the process for approving foundation trusts should be extended, bearing in mind the outcome of the Francis review and the need for trusts, some of which by their very nature will prove more difficult to bring to foundation status, to focus on those aspects of the Francis report which need to be addressed if they are to be worthy of foundation trust status. Therefore, the length of life of the NHS TDA will undoubtedly extend into 2015. I cannot be more specific than that at this stage. It is a special health authority established by order. We will review that order in the normal course of things in three years' time to assess whether there is a need for the authority. That is mentioned in the Explanatory Memorandum to the establishment order.

The noble Lord asked me why ophthalmic services are exempt. It is because they are not subject to registration by the CQC. We will of course keep those exemptions under review, as I have said. If evidence emerges to suggest that we should extend the licensing or make further exemptions, we will do so. When I spoke to the ophthalmic sector, it said that it did not see the need for a licence from Monitor, and we have taken account of its views.

The noble Lord asked me for some examples of commissioner-requested services. It is difficult for me to do that because they will be services which commissioners deem are in need of additional regulation to protect patients' interests. Monitor has published

[EARL HOWE]

guidance for commissioners to help them determine the considerations around commissioner-requested services. It will very much depend on the needs of the local population and what services are considered to be indispensable in a particular area.

The noble Lord asked me why GPs and dentists are exempt. As he knows, providers of primary medical services and primary dental services under contract to NHS England will be exempt from the requirement to hold a licence. As NHS England holds the contract with providers of those services, it is clearly well placed to place requirements on those providers that are similar to some of those in the licence. An agreement between Monitor and NHS England will underpin the arrangements. Monitor and NHS England are currently working on that. GPs and dentists sometimes provide other types of services under contracts with commissioners other than NHS England, such as minor surgery clinics or diagnostic testing services. They will be subject to licensing in respect of these services but at the same time be eligible for the *de minimis* threshold exemption. In addition, all providers of designated commissioner-requested services will require a licence, even if they would otherwise qualify for an exemption. It is therefore conceivable that a service provided by a GP practice might be considered a commissioner-requested service, but that is a speculative assumption on my part.

The noble Lord referred to conflicts of interest when such services are commissioned from GP practices by clinical commissioning groups. As I am sure he knows, there are clear rules around conflicts of interest. While GP practices are, by definition, members of a clinical commissioning group, the commissioning process must be done as much at arm's length from an individual GP practice as possible. If someone in the clinical commissioning group has a direct personal or professional interest in the decision being taken, he or she must follow the rules surrounding that conflict.

The noble Lord asked me how NHS England is going to maintain standards in primary medical services. I have largely covered that point. NHS England will monitor the quality of care being delivered under the contract via the local area teams. Clinical commissioning groups are themselves engaged on peer-review exercises of their member practices which will, in turn, inform NHS England's assessments.

I think I have answered all the noble Lord's questions, but if I have not I will follow up in writing.

*Motion agreed.*

## **Health and Social Care Act 2012 (Consequential Amendments) (No. 2) Order 2013**

*Motion to Approve*

5.01 pm

*Moved by Earl Howe*

That the draft Order laid before the House on 5 July be approved.

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** My Lords, we had many debates in this House on the Health and Social Care Act 2012 during its passage as a Bill last session. In this session we have also debated some significant items of secondary legislation that put in place key elements of the new system, including the regulations that we have just debated.

This draft order, however, is very different from those instruments. It is short, and it raises no new issues of substance. Since it seeks to amend primary legislation, it is right and proper that it is subject to affirmative resolution but it is made under a narrow power to make provision in consequence of the Act. I cannot claim that the amendments it makes are of significant interest. They are minor adjustments, generally needed as a direct consequence of the Health and Social Care Act 2012, which I shall now refer to as the 2012 Act. They help to keep the statute book up-to-date and coherent, but they involve no new policies. Consistently with this, neither the Joint Committee on Statutory Instruments nor the Secondary Legislation Scrutiny Committee has seen a need to draw special attention to the draft order.

Before I explain what the draft order does, it may be helpful to start with a very brief reminder of the relevant provisions of the 2012 Act. That Act made a number of changes to the architecture of the National Health Service in England. Before the 2012 Act came into force on 1 April this year, the functions of commissioning and providing health services were conferred by legislation on the Secretary of State and were delegated by him to bodies such as primary care trusts. The Act, however, now gives the function of commissioning health services direct to the NHS Commissioning Board—also known as NHS England—and to clinical commissioning groups; while primary care trusts have been abolished. The Secretary of State continues to be under a duty to promote a comprehensive health service. He has ministerial accountability to Parliament for the health service. He is under new duties to keep under review the effective exercise of functions by the national-level bodies, such as the NHS Commissioning Board, and to report annually on the performance of the health service. That is the framework established by the 2012 Act.

I turn now to the individual amendments made by the draft order. The first amendment is to the Disabled Persons (Services, Consultation and Representation) Act 1986. The 1986 Act creates a requirement to assess the needs of people who are discharged from hospital after at least six months' inpatient treatment for mental disorder. Section 7 of the Act sets out the services to which such an assessment must relate. Schedule 5 to the 2012 Act amended Section 7 of the 1986 Act to reflect, for example, the abolition of primary care trusts and the fact that it is clinical commissioning groups which now have to carry out the assessments in England.

However, that schedule did not update the reference to the services to which the assessment should relate. These are currently described as services that the Secretary of State is under a duty to provide under the NHS Act 2006. The order removes that reference, and

updates it to take account of the changes in responsibility for commissioning and providing health services in England that were made by the 2012 Act. In making that change, we are able also to refer correctly to the bodies that provide services for the purposes of the Scottish and Welsh health services, and to the Acts under which they do so.

The second amendment made by the draft order is to the Community Care (Delayed Discharges etc.) Act 2003. That Act puts in place arrangements to ensure the safe and timely discharge of patients from hospital. Under the 2003 Act, the responsible NHS body is required in certain cases to issue an assessment or discharge notice, and the relevant local authority is required to assess the patient and put in place a support package by the named day. Schedule 5 to the 2012 Act made some amendments to the 2003 Act, but not those required to ensure that the arrangements continue to apply to NHS patients in independent hospitals. The draft order therefore makes the necessary amendments by adding NHS England and clinical commissioning groups to the definition of “NHS body” in Section 1 of the Act. This puts those bodies under a duty to issue the relevant notices in relation to patients discharged from independent hospitals commissioned by them.

Lastly, the draft order amends Section 256 of the National Health Service Act 2006. That section deals with the powers of certain NHS bodies to make payments towards expenditure on community services. Schedule 4 to the 2012 Act replaced the references to primary care trusts in the main body of Section 256 with references to the NHS Commissioning Board and to clinical commissioning groups, but unfortunately it did not amend the reference to primary care trusts in the cross-heading to the section. The draft order corrects that oversight.

In conclusion, I hope that I have demonstrated that the draft order contains changes that are consequential on the Act. It makes some minor but necessary changes to keep the statute book coherent and up to date. I commend the draft order to the House. I beg to move.

*Motion agreed.*

## Arrangement of Business

### *Announcement*

5.07 pm

**Baroness Jones of Whitchurch:** My Lords, I am very conscious that the Minister is not on the Bench opposite.

**Baroness Garden of Frognal:** My Lords, I wonder whether the House might adjourn during pleasure for five minutes.

5.07 pm

*Sitting suspended.*

## Arts: Contribution to Education, Health and Emotional Well-being

### *Question for Short Debate*

5.13 pm

*Asked by Baroness Jones of Whitchurch*

To ask Her Majesty's Government what is their assessment of the contribution of the arts to the nation's education, health and emotional well-being.

**Baroness Jones of Whitchurch:** My Lords, it gives me great pleasure to introduce this debate. As I have been told that I have only one bite of the cherry, I thank noble Lords in advance for what I know will be a very fascinating and learned debate.

Two weeks ago, we had an excellent debate initiated by the noble Baroness, Lady Wheatcroft, on the contribution of the arts to the economy. The case was made then by a number of noble Lords that the contribution of the creative industries to jobs, growth and tourism is considerable, but often understated. Yet we have a reputation globally as world leaders and innovators in the arts and it will be undoubtedly one of the drivers for future economic growth and prosperity. This point was echoed in a recent Arts Council report that showed that there was a four-fold return on every pound invested in the arts.

I am very pleased that this is the case but even if it was not, I believe that the investment would be worthwhile. That is why I was prompted to table this Question. I want to make a different case—the arts for their own sake, for what they provide to our civilisation and the benefits they impart to our well-being as a nation. This should be a sufficient reason to celebrate, to defend and to invest in our arts culture. It is why I share the concern expressed by many arts leaders that Maria Miller's recent speech focused so heavily on the economic benefits that could accrue from our arts activities. For example, she said that arts organisations should,

“demonstrate the healthy dividends that our investment continues to pay”.

In other words, they have to keep making a profit. This demonstrates some flawed thinking. If we invest only in arts that are guaranteed to make a profit, we damage the very innovation and creativity that has generated our reputation for excellence in the first place. However, one of our challenges is that, while it is relatively easy to measure the economic contribution of the arts, it is a much bigger challenge to provide evidence of the wider benefits to society. I was struck when preparing for this speech by how many research projects have recently been launched to measure difference aspects of the impacts of the arts on our lives. This is obviously to be welcomed, but it will take time.

I also have considerable sympathy with the advice of my noble friend Lord Howarth to the recent Culture, Health and Wellbeing International Conference. He suggested that they should not wait for the holy grail of a definitive, conclusive report on the benefits of the arts, but should pool the existing research findings which already demonstrate a positive impact on health

[BARONESS JONES OF WHITCHURCH]  
and well-being. It is also helpful that the National Alliance for Arts Health and Wellbeing has been established, supported by the Arts Council, to draw together the case for the positive impact of the arts on health and well-being. It has been working with the Office for National Statistics, which was famously and quite rightly asked by the Prime Minister to measure the factors which affect well-being.

Incidentally, it is a bit worrying that the funding cuts may result in that well-being research being scaled down. Nevertheless, since the Windsor conferences in 1998 and 1999, we have increasing evidence of the positive impact of the arts on health outcomes. For example, the Art Council reports that singing has been found to affect the hormones that facilitate emotional balance. The use of music in cardiovascular units led to reduced anxiety and to improved blood pressure and heart rate. Patients who experience visual arts and live music on trauma and orthopaedic wards stayed in hospital, on average, a day less. A recent large-scale study in Norway showed that visits to the theatre, concerts, art galleries and museums result in better health and well-being, and that the more often people engaged in cultural activities, the greater the health benefits.

In the UK, the Taking Part survey has reported that taking part in the arts and cultural activities once a week has a positive effect on an individual's well-being. UK museums and art galleries are increasingly involved in art and cultural activities, providing a welcoming non-clinical setting to support initiatives for those with mental health, dementia and learning difficulties, with measurable benefits. I recently visited a groundbreaking project at the Geffrye Museum, providing a safe and stimulating environment for adults with learning difficulties. The Dulwich Picture Gallery's initiative entitled "Good Times" provides a range of communal activities for an increasingly isolated and vulnerable ageing population. I have been impressed by the outcomes of the Men's Room charity in Manchester which provides creative expression for young men previously involved in crime or homelessness. All this evidence confirms what we intrinsically know to be true: that creativity, whether active or receptive, lifts the spirits and increases a sense of well-being.

The same can be said for the contribution of the arts to education. The Henley report on cultural education showed that young people involved in the arts at school also performed better in other subjects. The impact of the cultural activity spilled over into other aspects of learning and behaviour. Henley made the point that the highest-achieving schools—including, of course, the private schools—tend also to offer a high standard of cultural education. He also quoted the outcome of a United States longitudinal study of education which showed that:

"Students with high involvement in the arts, including minority and low income students, performed better in school and stayed on longer than students with low involvement".

These themes were echoed by the national curriculum review expert panel, chaired by Tim Oates, which identified that art and music lessons not only had intrinsic worth, but also brought,

"benefits to pupil engagement, cognitive development and achievement, including in mathematics and reading".

So a good arts education enhances other educational outcomes. It also produces young people with the life skills and creative innovation increasingly in demand from employers.

This is why there continues to be frustration at the failure of the Department of Education to embrace and champion these principles. The original EBacc proposals completely sidelined arts education. Even in its new format, teachers report that less time is being allocated to teaching creative subjects. The new national curriculum, while a considerable improvement on earlier drafts, does not, for example, have any meaningful inclusion of dance, drama or film. While we welcome many of the steps outlined in the belated government response to the Henley report, it feels like it is too little, too late. Obviously we welcome initiatives such as the new National Youth Dance Company, the music hubs and Artsmark, but there is a sense that creative learning is moving out of mainstream education and into extra-curricular activities, when the opposite should be happening.

It would also be good to see the Government do more to address the inequalities in access to the arts, both for young people and for adults. Initiatives such as the Paul Hamlyn programmes to widen the demographic profile of those regularly accessing the arts are hugely important, but more needs to be done by Government to make the arts relevant to the widest possible audience.

I hope that I have been able to demonstrate this afternoon that there are widespread benefits to both individuals and society from being immersed in the arts. However, it would be a great shame if we had to put a price on all those benefits. Art funding should not just be about economic returns, but also the less tangible advantages: that it raises our quality of life, improves our sense of well-being and contributes to our future success as a nation. Ultimately, none of these issues matters as much as a belief in art and creativity for its own sake. However we choose to express it, art is what makes our nation civilised, it shapes our identity and it informs our heritage. If we are always looking over our shoulder at balance sheets to justify expenditure, we risk losing the essence of what makes the UK such a special place to live.

I hope that the Minister, in responding, is able to reassure the House that the widest contribution of the arts, and the contribution that they make to society, will be reflected when future funding of the arts is considered.

5.23 pm

**Baroness Bakewell:** My Lords, I am delighted to speak in this debate and I congratulate my noble friend Lady Jones on bringing it forward. It sits very happily in parallel with the debate brought forward by the noble Baroness, Lady Wheatcroft, some weeks ago. She made the economic, nuts-and-bolts argument for the arts, and today we deal with the real core, civilising values of the arts in our lives.

What is the price of joy? What is the price of celebration? How do you cost the human rewards of the Last Night of the Proms? That is the climax of more than 100 concerts, over eight weeks, playing every night in the Royal Albert Hall to audiences of more than 6,000 people. It is the world's largest, most democratic musical festival. It is, in many ways, beyond price. It involves enormous performances of world class. As you will be aware, the last night inspires sentiments of warmth, loyalty, patriotism and fellow feeling. People come pouring out of the Royal Albert Hall, alive with joy. How can you cost that?

At the other end of the year, there is the Messiah, sung in 1,000 churches and enjoyed by amateur groups who come together to give their own performances. It is true that singing is an exercise for the lungs and for breathing, but it is an exercise also in the recognition of the awesomeness of music. Choirs across the country share pleasure in that—a pleasure beyond price. Music also plays a big part in the lives of the handicapped. I have personal knowledge of this. Small children who cannot speak can sing. I bear witness to the fact that they can sing loud and often and that they enjoy it very much.

I will be more serious for a moment because I want to speak of the more profound rewards of the arts. The arts teach us what it is to be human, to know ourselves and to know others. In the 1790s Wordsworth stopped at Tintern Abbey and tried to recall how he had been moved when he had been there five years earlier. "Lines Composed a Few Miles above Tintern Abbey" reminds us that,

"with an eye made quiet by the power  
Of harmony ...  
We see into the life of things".

That is what the arts do. We see into the life of things. Consider human activities which we all take for granted such as the relationships between the sexes and the joys and crises of marriage. Think of Shakespeare's Beatrice and Benedick, "the married man", Strindberg's "The Dance of Death", Ibsen's "A Doll's House" or Edward Albee's "Who's Afraid of Virginia Woolf?". Who can say that seeing these works does not help us see into the life of things? That is what we seek when we teach children through the curriculum about the lives that they will live in the communities that they will be a part of.

It is not just personal, either. Empathy matters in the lives we live, one with another. Empathy is the understanding of the other. It is the attribute psychopaths lack—the capacity to understand others. Callousness, cruelty and murder follow. That is why, when the arts go into prison, they make a real difference. Acting companies take the plays of Shakespeare to prisoners and then stay to discuss with their audience, the inmates, what are human motives and what are the feelings of other people. That helps the prisoners grow to see their own lives. It helps them to see into the life of things.

Finally, as it is summer, I must mention literary festivals. There are now more than 250 of them in this country, events to which authors come to talk about their books to audiences that grow year on year. These festivals have spin-offs abroad. There are now festivals in north Africa and Mexico that are run from this

country, and next year I will go to Burma in the footsteps of George Orwell. These festivals are arenas of ideas. I chaired a debate in which two Egyptian feminists came to discuss the role of women in Islam. There was an audience of more than 1,200 people. These places are indeed the cradle of ideas, debate and exchange. At a time when human discourse and the popularity of political meetings are perhaps on the wane, these places are locations where the debating of ideas and politics is gaining strength. They are places of ideas, opinions and cultural exchange.

That is my case to the Government: celebration, insight, empathy and intellectual exchange. The arts lead us to see into the life of things. They deserve a higher place in the school curriculum than at present. As we know, dance scarcely figures and music is neglected. We want our children to see into the life of things.

5.29 pm

**Lord Cormack:** My Lords, I am inspired to begin by saying:

"Shall I compare thee to a summer's day?".

I am sure that we are all extremely grateful to the noble Baroness, Lady Bakewell, not only for what she has said this afternoon so succinctly and so powerfully, but for what she has done over so many decades to further the cause of the arts.

I thank the noble Baroness, Lady Jones of Whitchurch, for two things: first for initiating this debate and the manner in which she did it, and secondly for her—and the Minister's—kindness to me. This debate has started a little later than many of us hoped and as there is only one train to Lincoln at 7.06, I will have to leave here at around 6.10 so that I can get to Kings Cross in time. I hope that other colleagues in all parts of the House will be as kind to me as the Minister and the noble Baroness, and acquit me of any discourtesy.

Whenever I go into that glorious Lincoln Cathedral, which is now within 50 yards of my home, for a great service and I sit there and look at the marvellous shards of Purbeck marble rising to the roof, see the dappled, stained glass as the sunlight comes through the window and listen to the choir, I realise that this is the full beauty of "craftsman's art and music's measure". What I want is for more people to be able to share it. Of course, some are conscious every year of the all-encompassing quality of the arts when they see the television broadcasts of the King's College choir on a Christmas eve, and now similarly at Easter, with the Rubens masterpiece, the "Adoration of the Magi", at the high altar, the marvellous fan vaults of Henry VI and, of course, the glorious music of the choir.

The noble Baroness is right to say that the arts are of overwhelming importance, educationally and to the health and well-being of the nation. She referred to the Dulwich Picture Gallery experiment, where not only the old, but also the sometimes quite recalcitrant young are brought to a greater understanding. They are—to quote Wordsworth, as did the noble Baroness—"seeing into the life of things" in a very different and new way. I saw this many years ago when I was involved in the beginning, in this country, of the Music Therapy Charity. One saw what effect music

[LORD CORMACK]

had on severely handicapped children who otherwise would have had no outlet. It began with a glorious service in Westminster Abbey when Yehudi Menuhin played Bach partitas on the chancel steps. The two remarkable Americans, Nordoff and Robbins, who started this charity, were there. It has now grown considerably and is known around the world.

If you go into prisons—I had two in my constituency, one a young offenders institution and the other an adult prison—you see that people who have often been written off by society, quite wrongly, can be moved by art. They can be moved by lovely pictures, by poetry, by drama and by music. If you go into hospitals, you see the therapeutic effect of art on severely sick people, when they look at wonderful images and listen to glorious music.

The arts are, in every possible sense, priceless. To equate them with commercial calculations is doing us all a disservice. You cannot quantify it; if you want to start quantifying it—I am sorry I could not take part in the debate of my noble friend Lady Wheatcroft—you can provide a very good justification. After all, the thousands of tourists who are flocking here this year—there seem to be more than ever—are not coming for the glory of the weather, although they are enjoying it at the moment, and they are not coming for the excellence of our cuisine, although that has improved very dramatically in the past 30 or 40 years. What they are coming for, as their forefathers did before them, is to see our fine buildings, to go to our wonderful galleries, and to listen to the music at the Proms and other concerts. The arts bring in to this country enormous sums of money—a fact that no Government of any political persuasion have ever fully recognised.

I wrote a book about this in 1976, in which I tried to argue that our heritage was in danger and that it was in everybody's interest to safeguard it not only because of its innate glory but because of what it brought in to the country. This remains true. People come and are moved by this great building in which we are privileged to work. Of course, they have a passing interest in the constitution, but what really turns them on is the majesty of this Chamber and the glory of Barry and Pugin's architecture. Therefore, the noble Baroness was quite right to say that we should evaluate what the arts do for our education, our health and our well-being.

I will close on education. As a former schoolmaster—although that was more than 40 years ago—I believe that we sell our children short if we do not open their eyes and minds to the wonderful heritage of European civilisation, and of the civilisations beyond. Our young people should be made more aware of the glories of Italy, the majesty of France and the wonderful beauties in our own country. Every young person, as part of his or her education, should go to the National Gallery and spend an hour in the company of someone who understands and appreciates the paintings. Every young person, before he or she leaves school, should spend an hour or two in one of our great cathedrals and should be able to listen to wonderful music. That is easier because the musicians can travel.

The noble Baroness did us all a signal service. The day began in a rather strange way, as days in this House often do. We had a debate on the cultural impact of Premier League football—not just football, but Premier League football. What we are considering this afternoon is premier league art, which is far more all-encompassing, far more moving, far more valuable and far more lasting, so we are very grateful to the noble Baroness for introducing the debate.

5.37 pm

**Lord Winston:** My Lords, by 1944 some 6 million people had died in Auschwitz in appalling conditions. Sometimes the question is asked—it might have been asked earlier this afternoon in another debate—“Where was God in Auschwitz?”. Perhaps the answer might be, “Where was man?”. However, there could be another answer. Perhaps it came from a place that fed Auschwitz: Theresienstadt.

During its life, Theresienstadt housed between 120,000 and 150,000 individuals, all but about 22,000 of whom died in Auschwitz. For them, God was in their music. In that remarkable place, people were starving. They had no proper water supply and sanitation. They lacked almost every accompaniment of humanity, but they celebrated their humanity by singing Verdi's “Requiem”. It was conducted by Rafael Schächter, one of the Jewish composers in Theresienstadt. Towards the end of the life of the camp, the composer Viktor Ullmann composed an opera called “Der Kaiser von Atlantis”, a satire on Hitler. It is a short opera that lasts for less than an hour. In it, pretty well every human emotion is described, including love, hope, longing and sadness. Interestingly, the one thing that is missing is anger, even though the chief singer is der Kaiser: Hitler. What we cannot forget is that Ullmann never saw the production, because when the Nazis saw it in rehearsal, they banned it, and of course Ullmann and his librettist ended up in Auschwitz, where they perished.

I shall talk about music only and declare an interest as chairman of the council of the Royal College of Music. I suggest that music is central to this debate. In some respects it is one of the most basic of the arts, because it is the closest to being unrepresentational in a way. One of the great things about music is that it expresses all humanity. It expresses longing, sadness, anger and humour, it looks at joy, as my noble friend has already mentioned, it looks at sadness and at love and, in the case of Theresienstadt, it looked at hope as well. It is a basic civilising influence on our population.

When you look at music in scientific terms, you see that it affects different parts of the brain. For example, memory is enhanced by listening to music. Recent studies using magnetic resonance imaging scanning show that different parts of the brain, including the hippocampus, expand when we listen to or play music, whether we are musicians or non-musicians. When it comes to dexterity, the motor cortex at the top of the brain is also enhanced. The auditory cortex is enhanced as well; most importantly, Broca's area, which is on the left side for a right-handed person and central to

language, is also very closely linked to music. Perhaps that is one of the reasons why so many musicians have been amazing linguists.

These things are developed by people who use and play music, particularly schoolchildren. I want to speak mostly of schoolchildren in this instance. Although we think that musicians are born and not made, it turns out that this is not the case. Recent evidence in a beautiful German study clearly shows that pretty well anybody who is given enough time and practice can compete with the best opera singers, and that their brain can expand in the areas that are needed. That has been demonstrated in scanning.

On a lighter note, a pop video made by One Direction was launched on the web this week. On the first day of launch, it received 14 million hits, which was extraordinary. One Direction are delightful young men. They are responsible. I think that they are altruistic, although I do not know that for certain, my impression is that they are. At many levels, they are an interesting role model for young people and you can see that they are massively followed by them. It is a pity that we do not have that same following for classical and other music which have so much depth in terms of our learning experience and give us wealth, not financial wealth, of course, but wealth in how we perceive the world and react to it and the wealth that is in our humanity and relationships.

For schoolchildren, music and learning music do not foster just memory and probably better intellectual capacity, although, in spite of the rumours, not intelligence, but they certainly foster collaboration and, as the noble Baroness, Lady Bakewell, has said, empathy, which is obviously important. These things are really important to children, and the lack of musical education in schools is great concern in our society at the moment.

The Minister may not have figures to hand at the moment, but perhaps they can be dug out. Under the previous Government there was the singing initiative, which I not think is anything like adequate enough. In music, it would be better if far more schoolchildren had access to instruments because that increases that collaboration in a new way. They help understanding of the structure of music and increase dexterity. It would be of interest to know what the Government are doing about the number of schools, particularly primary schools, which have access to musical instruments.

Finally, as someone who supports the Royal College of Music and other areas in musical education, will the Minister tell us how the Government view the outreach programmes that conservatoires are doing to spread music among young people? The Sparks programme run by the Royal College of Music takes primary school children, and there is no question that children who come from very different backgrounds achieve amazing success. They collaborate and play music so well that it is difficult to believe they have not been learning music for a great deal longer than they have. Many conservatoires have a junior department which is closer to more, if you like, adult children. It would be helpful if the Minister in her summing up could affirm support for those sorts of activities, which I believe are really important to the health of the nation.

5.45 pm

**Lord Rea:** My Lords, I, too, thank my noble friend for bringing this important area before the House. I feel somewhat diffident speaking with those of such calibre. Previous speakers have shown that a good story well told can have a very big impact, which probably should be a rule for my future speeches. As a former medical practitioner, I will speak today on the effect that the arts, in the broadest sense, can have on health. Here, I am using the long WHO definition of health, which considers it to be not only the “absence of disease” but also,

“complete physical, mental and social well-being”—

a condition we aspire to but seldom achieve individually and probably never as a whole society.

This definition is useful because it recognises that health is not only physical but includes emotional and social components, factors which have tended until recently to be neglected in healthcare. Sir David Weatherall, when the regius professor of medicine at Oxford University more than a decade ago, explained how scientific medicine, which dominated the last century, changed the emphasis in healthcare from the whole patient and whole organs to diseases of molecules and cells. This caused many to feel that medicine had become reductionist and dehumanising. Although himself a molecular scientist, Professor Weatherall said that,

“we will now start putting the bits ... together again ... The old skills of clinical practice, the ability to interact with people, will be as vital ... as they have been in the past”.

Since then the need for this is becoming more widely accepted but dehumanised healthcare is still the experience of some patients. The events in Mid Staffs, although not the rule, unfortunately are not unique. But, despite increasing pressures, most patients in the National Health Service receive expert, considerate and friendly care.

Where do the arts fit into this health story? The three components of health—physical, mental and social—are not separate entities. We all know the much quoted phrase created by the Roman poet Lucullus 2,000 years ago:

“Mens sana in corpore sano”.

The relationship between mental and physical health has now been demonstrated in a number of studies. Cheerful or normal people live longer and recover from illness more quickly than depressed people, who place a very heavy load on the National Health Service. The immune response of non-depressed people is better. My noble friend Lady Jones cited a number of other instances where mental health and social care can have a big impact on people’s physical health.

The relationship between social deprivation, even relative deprivation in prosperous societies, and physical and mental health and longevity is well known and is being increasingly better understood through the worldwide studies of the social determinants of health being led by Professor Michael Marmot of University College London. That is as relevant to the UK today, when our health problems are largely due to long-term, non-communicable diseases, as it was 100 years ago, before the era of antibiotics. Living conditions, nutrition and lifestyles are among the most important of these

[LORD REA]

determinants. Here it should be emphasised that lifestyles are not simply a matter of individual choice, they are a product of economic and social pressures. It is only the exceptional individual from a deprived background who can battle their way to overcoming these commercial and social pressures and live an optimally healthy life.

I hope that this brief description of the factors underlying health will show why the arts are so relevant. As my noble friend said, is not the purpose of art to lift the spirits, open one's eyes, educate and inspire? The emotional impact of music, so well described by my noble friend Lord Winston and the noble Lord, Lord Cormack, and works of art and sculpture as well as the written word, is often enormous. I would add high-quality media presentations on the radio and television, and let us not forget film as well. I could recite a long list of all the arts which are important. To say that the arts entertain us and cheer us up is only part of the picture. By helping to lift depression, the arts can improve our mental health and this can, in the ways I have suggested, lead to better physical health.

I have not mentioned one important aspect of our culture: the built environment. The noble Lord, Lord Cormack, talked about the majesty of Lincoln Cathedral, and of course there are other inspiring buildings all over the country. Good and imaginative design of neighbourhoods and individual buildings, apart from pleasing the eye, can have important effects on physical health. We have too many boring, or at the worst ugly, housing developments, while thoughtless redevelopment has plucked the heart out of many towns and cities. The result has been a loss of cohesive community support which can have effects on social well-being. The building of arts and cultural centres in many towns and cities has been a positive move that partly compensates for the destruction of city centres, and the evidence is that they have a sizable positive impact on the morale of their communities. However, they cannot replace the need for much more well-designed housing which, as all noble Lords know, would also act as a kick-start for the economy and have a beneficial effect on mental and social well-being. Well-designed housing, apart from being more carbon efficient, can improve mental, physical and social health through aesthetically pleasing design, good spacing, convenience and social facilities. It should also be ergonomically pleasing and more sustainable through well thought-out heating and ventilation. There are examples of excellent projects of this kind in many places throughout the country.

I do not have any specific questions for the noble Baroness, but I hope that she can reassure us that funding for the Arts Council at least will not be cut and hopefully be increased in the next spending round. I hope also that she can say that local authority support for community and other arts projects will be protected in the next round of cuts, which we are told will shortly arrive.

5.54 pm

**The Earl of Clancarty:** My Lords, I, too, thank the noble Baroness, Lady Jones, for introducing this debate. As an artist, my instincts to some extent are to reverse

the terms of the debate; in other words, to ask what, for example, education can do for the arts and creativity. That might strike one at first as the standard way of looking at things, but for me, generally speaking, artists make and publicise their work as best they can and it is for others to draw conclusions about the wider social effects that work may have.

I am emboldened in further pursuing my instincts on this on three counts. First, I understand that although the DCMS is responding to this debate rather than the Department of Health, that department will be listening in with the other cap that the Minister wears. Secondly, there is the wider ever-present arts narrative that needs to be addressed. It is very difficult to persuade successive Governments of the case for art for its own sake—a term which the noble Baroness, Lady Jones, used in her speech. That obstacle characterises the overarching narrative driving most of the debate on the arts at Westminster, whereby the effects of the arts on education, well-being and health are still the justification for them, while being a corrective to our previous debate on the economic effects and to Maria Miller's insistence on the arts' economic value. Thirdly, there is the rather remarkable speech made by the Scottish Culture Secretary, Fiona Hyslop, on 5 June at Edinburgh University, in which she said:

"It is our job ... to create the conditions which enable artists to flourish ... I don't need or want the culture or heritage sector to make a new economic or social case to justify public support for their work. I know what these sectors can deliver because I see it in action. I visit hardworking artists and practitioners who are exploring new ways of working; and who are creating dynamic and exciting new ways of enjoying and sharing their work and the work of our ancestors".

Artists and the arts sector would have to wait forever to hear a message like that from a Government at Westminster. There will be cynics, of course, who say that the SNP has an agenda in trying to court artists. That may be, but that does not have to invalidate its cultural policy. The key thing here is the facilitation of artists, which I believe is a good in itself, whatever the specific effects may be, because the artist's work is the contribution to society. The Government's primary job in relation to the arts is—or should be—to do just that and must of course include encouraging the potential for creativity from all classes of society. It also means facilitating not just contemporary artists but those artists of the past—"the ancestors", as Fiona Hyslop calls them, a term which properly draws them closer to us—whose influence may thereby still be felt through our collections, exhibitions, buildings and public sculpture. From this, everything else should proceed. Indeed, in the short term, good art may not give a feeling of well-being at all but may be disturbing and highly critical of society, as much of our best post-war drama was. It is a healthy society which allows artists to have their say, encourages that criticism and, all importantly, offers spaces within which that can happen.

The newest space of course is the internet, but there is also what might be termed an attitudinal or mental space and, furthermore, physical or geographical space. That space is now becoming hugely underestimated and increasingly neglected locally. I am thinking about theatres, art venues, studios and rehearsal rooms as well as the streets themselves. In part, this is because of the attraction of the internet, but also because of the

cuts, particularly at the local level, and the largely unthought-through council sell-offs of buildings and land alongside the now much looser planning guidelines. Overall, this is an ongoing neglect that is detrimental not just to artists but to the well-being of local communities. Publicly owned spaces have the potential to be public spaces, as well as providing significantly cheaper rents. Privatised spaces that are open to the public, such as shopping malls, will always be primarily commercial spaces where the public are only present by invitation.

Can more help be given to artists and artist groups in relation to commercial spaces and greater incentives provided for the cultural and artistic use of vacant shops, for example? The Minister should also be aware that the removal of planning permission for landlords to turn studios and workshops into flats is hugely threatening to the arts and the creative industries. That is not to say that public spaces are not also becoming increasingly problematic for artists. Perhaps the Minister can confirm that the DCMS is giving particular attention to the Bill recently introduced by the noble Lord, Lord Clement-Jones, to remove restrictions on leafleting, which is having such a bad effect on the local arts scene in some areas.

One English architectural ancestor springs to mind: Sir Horace Jones, who gave us Tower Bridge and Leadenhall Market, and whose Smithfield Market, a landmark that many of us have enjoyed and wandered through, may well be gutted if the City of London Corporation planning committee has its way. I hope that the DCMS is taking a critical view of a proposal that many see as vandalism, and will give active consideration to alternative ideas for the site.

I will mention one other building: St Lawrence's Hospital in Bodmin, built by the Cornish architect Silvanus Trevail. It is a notable building in the Edwardian baroque style, which used to be owned by the NHS and whose preservation has the support of SAVE Britain's Heritage, the Cornish Buildings Group and the Ancient Monuments Society, which says that,

"a really interesting building by one of the county's great architectural sons, and one surrounded by local goodwill, faces needless oblivion".

It seems that Cornwall Council, too, supports its preservation but, at the same time, has given permission for development without an environmental assessment, public consultation or planning permission. This case again illustrates the fact that once one effectively tears up the planning guidelines and there is no concerted decision-making—which is not the same as autocratic decision-making—there is likely to be chaos and rampant development, and the arts will be the loser in all this.

However, it does not have to be a one-way street. It is good news that Taunton Deane Borough Council has purchased the lease on the Brewhouse Theatre, which means that it will reopen, although whether it can put on the kind of challenging performances it used to depends on who the council gets to run it.

In this same context of the protection of our culture, I mention also the Riesco Collection of Chinese ceramics in the Museum of Croydon, from which the council intends to sell off 24 important items. As the Minister will be aware, both the Arts Council and the Museums Association have been hugely critical of this proposal,

and I hope that the DCMS is taking an interest in this as well. The collection would have been donated to the public in perpetuity and therefore should remain so. There is a history here. In 2010, Croydon Council threatened to axe all arts services and sell off 13 local libraries. Fortunately there has been enough of a public outcry for this not to happen, although the popular David Lean Cinema, which was also part of the Clocktower complex, has already been closed.

The irony is that a great many of us are often not aware of remarkable collections or treasures until they are under threat, although that does not mean that others have not already greatly enjoyed them. I would like to make a suggestion to the Government, and I hope they will forgive me if this is something that they have already considered. As a follow-up to their successful GREAT campaign, perhaps they would consider a series of posters highlighting our local collections and treasures to an international audience, with perhaps a number of locations featured on each poster. One example that springs to mind is the William Morris Gallery in Walthamstow, which won this year's Museum of the Year award. Britain has a huge wealth of treasures and collections, often in out-of-the-way places, that are not part of our national collections and are not as well known. Providing such posters would do at least two things: it would re-emphasise the importance of a local or regional Britain, and it would help, I believe, to protect those treasures.

### 6.03 pm

**Lord Sawyer:** My Lords, I, too, thank my noble friend Lady Jones for initiating this debate. Perhaps I may also say how much I am enjoying debating with people who have great experience and knowledge of the subject. My noble friend Lady Bakewell began her speech by talking about the Proms and the "Messiah". I start mine by talking about the Durham miners—perhaps at the other end of the spectrum. I will not be talking about the great-great-grandson of a Durham miner, the bonny lad who was born this week to be King; to do that, I would need to talk about the Middleton family. I will be talking about another mining family, the Elliot family. There cannot be many people in this country or in this Chamber who have not heard of Billy Elliot. He was the subject of a film in 2001 and of a West End show in 2005 which is, almost 10 years later, playing to packed houses all over the world. It is, of course, the story of a miner's son from the north-east of England who became a ballet dancer.

Why has this journey of discovery from coal-mining to ballet captured so many hearts around the world? There are many reasons, one of which lies at the heart of today's debate: the transforming power of art—in this case, dance—and its ability to bring joy and happiness, which have the power to actually change lives. "Billy Elliott" is based on an individual but the story cannot progress without the power of the community—the village, the teacher, the family, the neighbours, the public space, the public scholarship and the solidarity of a deprived community all go together to make it a heart-rending story that shows the power and joy of people engaging in art.

[LORD SAWYER]

Billy's is an individual transformation and achievement, often against adversity, but, linked with the power of the support of a wider community, it taps into one of the most powerful veins of successful public art: whether theatre, film or dance, it is where communities and people fight against adversity using the power of art to achieve things. "Billy Elliot" was part of a voyage of artistic discovery and renaissance in the north-east of England, from the "Angel of the North", to the Sage music and arts centre on the banks of the Tyne, to Sir Anish Kapoor's "Temenos" on Teesside, to hundreds of small organisations that provide intellectual, emotional and physical spaces, including galleries, libraries and theatres, where people can go time and again to experience what I consider to be the invigorating and healing power of art, which is very powerful indeed.

Of course, there are many Billy Elliots in our world, thankfully. I will tell your Lordships about one young man, who grew up in central Middlesbrough—not the most well-heeled or prosperous part of our country—in the 1990s. He went to Teesside University, which I know because I have the joy of being chancellor of that university. He became a performing arts teacher because as a teenager—as a young man not really knowing where to go—he became involved in a youth theatre, a project supported by Middlesbrough Council.

Eight years later, this same man graduated from the Royal Academy of Music here in London—quite a big step, almost as big as Billy's. Then he started work as a teacher. He began to work professionally as an actor, both on stage and in television. He continued to teach music and drama to college students throughout south-east London. These teenagers, who are from a deprived part of south-east London, many from estates and difficult places, now go to the Globe to watch plays. They go to the National Theatre because of the influence and support of their teacher and their college. They speak lines of Shakespeare just for fun. For weeks after each play, they come to the college repeating lines they heard from the actors and swapping one-liners with each other as well as writing lines of their own. They stand up confidently in front of the class and other audiences and perform their new work.

The theatre gave these young people language, confidence, the power of communication, and an interest in other members of their community, humour and stature in a way that nothing else could. Particularly today, with the absence of that kind of thing from the world of work, where young people do not get it in the way that they used to and the way that they should, the power of art is far more important than ever. Their teacher had learned about the transformational power of theatre and art, and he made sure that his students could access it as well.

I will give your Lordships another example of the arts in the north-east: MIMA, the Middlesbrough Institute of Modern Art—what a great thing to say. People would not normally associate an institute of modern art with a town such as Middlesbrough. You might associate it with New York, Paris, Melbourne or Sydney but to have the Middlesbrough Institute of Modern Art—I just love saying it.

MIMA is an outstanding example of the contribution of the arts to our nation's education, health and emotional well-being. On my previous visit to MIMA, I was hugely impressed to see 7,000 drawings on display from every primary school in Middlesbrough. We have all seen this on our travels round the schools—the power of art to engage with local communities and schools. The gallery is free to all, and contributes to the social framework of Middlesbrough and the wider Tees valley. MIMA has attracted more than £4 million in external funding for arts provision in Middlesbrough, and has welcomed 900,000 visitors since it was opened by the noble Lord, Lord Bragg. On my recent visit the gallery was showing work by Sir Anish Kapoor, David Hockney, Picasso, Francis Bacon and Andy Warhol—and all these alongside the work done by the local kids from Middlesbrough. Is that not a fantastic thing to see? I know that we have all seen such things in our travels, because we all do this kind of work in our own communities.

MIMA is supported by the Arts Council and by the forward-looking Middlesbrough Council. It is a partner to my own university. We should applaud such organisations for their contributions to the arts and the wider contribution that they make to society. The Arts Council now recognises MIMA as what it calls a "national portfolio organisation". I am one of the three patrons of the MIMA Friends; another is the noble Lord, Lord Crathorne, who we all know has also had a distinguished career in the arts and made a distinguished contribution.

I fully commend this art gallery to the House, especially the Minister, who would be very welcome to visit it any time and enjoy the joys of that part of the world. I know that she gets many invitations, but none quite as powerful as this one, I am sure. The director of MIMA, Kate Brindley, has said:

"We are proud to be in Middlesbrough and to be able to act as a key driver for the local economy ... inspiring civic pride, supporting local arts infrastructure ... and creating opportunities for enjoyment",

employment and learning.

We—all of us who have spoken in the debate—have to battle for this space, do we not? It is not easy. We have not said much about that fight, but it does go on. We know that we cannot do without these things in our community. If we slam the doors, we slam them not just on aspiration but also on knowledge, confidence, communication and language—and we are just not prepared to see those doors slammed. We are going to keep them open, and we shall have to fight to do that. That is our job, no matter what the funding issues are, no matter what the trials and tribulations of the Government of the day are. It is incumbent on all of us who care about future generations to keep those doors open and to keep fighting for our arts. We should work to protect the space, and we need to work hard to help people understand the benefits that they bring to all, and to our nation's education, health and well-being. This small debate, initiated by my noble friend Lady Jones of Whitchurch, is an important small step in that direction.

6.12 pm

**Lord Howarth of Newport:** My Lords, the greatest contribution that the arts can make to education is to offer young people the opportunity of beauty, and an understanding of it, and to take them into new imaginative realms. Many people tell us that the poems they were required to learn by heart when they were young have been an abiding treasure for them in their lives. I was glad that the Secretary of State, Michael Gove, responded positively to the proposal by the Poetry Archive, of which I was a trustee, that there should be a competition for schoolchildren across the country to recite poems aloud. The national finals at the National Portrait Gallery were a great occasion.

The value of that kind of experience is not measurable; it is over and beyond the utilitarian calculus of Mr M'Choakumchild—or, all too often, of the Department for Education and of the DCMS, with the Treasury lurking behind them. It has been said that poets are unacknowledged legislators; in that respect they are rather like noble Lords. Poetry, drama and the novel offer insight into human nature, and a moral education—the best kind of moral education, because it is not dogmatic. Matthew Arnold was professor of poetry at the University of Oxford, and also Chief Inspector of Schools—what a good appointment that was by the Govt of the day. He said that the study of literature helps one to answer the great question: “How to live?” The study of literature teaches people—to use a term that has lost too many of its positive connotations—discrimination. It teaches them to make moral distinctions, to recognise integrity and quality.

The study of poetry is the study of language at its most expressive. Young readers of poetry learn to see cliché, jargon, linguistic slackness and the meretricious and manipulative use of language for what they are, whether it be the language of journalism, of advertising or of bureaucracy—or, indeed, of politics. They learn to value linguistic precision, authenticity and power. It is a survival kit for them, and it is certainly a preparation for their participation in democracy.

I do not think that I would make such a claim for the other arts. The Nazi guards at Theresienstadt and Auschwitz loved Mozart. Dr Goebbels accumulated a magnificent collection of art at the point of his gun. Architects and autocrats have been locked in mutual admiration for centuries.

Performances of dance, plays and music provide young people with an experience of teamwork and discipline. There is evidence that these experiences release a kind of primal energy and creativity across the whole life of the school. We have seen the power of El Sistema for young people in this country—in Glasgow and in Norwich, where I live.

The study and the practice of the visual arts are an education for the imagination. The education of the imagination has been too much neglected in the British educational tradition, which has put most of its emphasis on logic and analysis. It also teaches the history of our civilisation and of our own heritage and that of others.

So where should one stop? Professor Marcus du Sautoy tells us:

“Maths is a creative art, not a useful science”.

Cookery is an art according to Ferran Adrià, the creator of elBulli. We must leave it to the gauleiters of the national curriculum to determine these matters. I would simply say that it is an error to marginalise the arts and the school curriculum, as it is to underfund the humanities in higher education.

I shall speak about the contribution of the arts to health and emotional well-being. The crisis at the Mid-Staffordshire hospital and other hospitals, and that at the Care Quality Commission, have been crises of organisational cultures that have been drained of humanity—dehumanised as the noble Lord, Lord Rea, said—organisations in which systems have become more important than people and in which care has become too little imbued with kindness. The managerial reforms that the Government have proposed will be necessary but not sufficient. The remedies for this crisis will not ultimately be bureaucratic or mechanistic; they will lie in improving the ethos and morale of these services, in nurturing the empathy of the people who work in them and in improving the quality of relationships within them.

Here, the values and the practice of the arts in health movement have a profoundly important contribution to make. Across the country, practitioners of arts in health are ready to offer their contribution to health and social care for the benefit of patients, the frail and elderly, staff, and carers at home. We saw recently in London Creativity and Wellbeing Week the array of such practices and services. The Royal Society for Public Health in its recent publication, *Beyond the Millennium*, has documented the range of organisations and excellence in this field. The National Alliance for Arts, Health and Wellbeing was formed last year to represent practitioners across the English regions. It is available to engage with policymakers and decision-takers. Its work is international. At its recent conference in Bristol, people from 22 countries came together to share their experiences and ideas. The chairman of the national alliance, Dr Clive Parkinson from Manchester Metropolitan University, has been engaging with Governments across Europe in this field.

Museums and galleries in recent years have become more than repositories of cultural artefacts; they have become places for learning, for social engagement and for well-being. So, too, theatres, orchestras and heritage sites have been developing their arts, health and well-being agendas.

This resource is still under-recognised and underutilised in official policy. Policy has seen fits, starts and setbacks. The Department of Health and the Arts Council produced *A Prospectus for Arts and Health* in 2007. Then there was a faltering. But then, Alan Johnson, as Secretary of State, made a very important speech at the Wallace Collection in 2008 in which, using the authority of his office, he said that the arts should be in the mainstream of health and social care provision. Then there was again a phase of retrenchment and defensiveness. It would be timely now for the Secretary of State, with his responsibility for health and social services, to renew the leadership that his predecessor displayed.

A growing body of research and evaluation has been developing since the groundbreaking work of Rosalia Staricoff demonstrated that arts interventions

[LORD HOWARTH OF NEWPORT]

in healthcare produce benefits in terms of shorter hospital stays, reduced pain, improved blood pressure in patients and less need for drugs, as well as finding that staff turnover was less where this was happening. Eminent academics Professor Mike White of the Centre for Medical Humanities at Durham, Professor Jennifer Secker at Anglia Ruskin University and Professor Paul Camic at Canterbury Christchurch University are leaders in this field. I will give just two instances of important research. In 2009, the Arts and Humanities Research Council commissioned Dr Helen Chatterjee at University College London to examine the impact on the wellbeing of hospital patients of handling and discussing museum objects. The findings were statistically significant and positive. Professor Stephen Clift of Canterbury Christchurch University was funded by the National Institute of Health Research to conduct a randomised controlled test of the benefits of choral singing for older adults. It was, again, found that there were statistically significant beneficial effects on their health and well-being. That research has been published in the *British Journal of Psychiatry*. There is, therefore, robust research which demonstrates the clear and substantial value of the arts and design in health and which also shows that it is economic and cost effective.

Other foundations have been persuaded to support this work. We should thank Llanckelly Chase, Wellcome, Nuffield, Clore, Hamlyn, Rayne and Baring, who are working with the Arts Council of England on the arts and older people in care project.

Senior members of the medical profession are increasingly recognising the importance of this. Professor Sir David Weatherall, the former Regius Professor of Medicine at Oxford, who was quoted by the noble Lord, Lord Rea, has given his view that orthodox, specialised medicine, based on clinical science, is insufficient. What he calls “patch-up medicine” is “reductionist” and “dehumanised”. He also observes that it is prohibitively expensive and fails to address the causes of malaise. He says we should do more to prevent people falling ill through promoting lives of well-being.

New policy dispositions open up new possibilities. Clinical commissioning groups are at liberty to commission arts organisations if they wish. The Health and Social Care Act created Public Health England which is entrusting to local government significant funding and responsibilities to link their services for young people and old people with the services of the NHS, to find the roots of ill-health in their localities, and to develop their work through joint strategic needs assessments and health and well-being strategies. There is a new recognition in Government of the importance of well-being: the recognition that GDP is not a sufficient measure of national progress and that “getting and spending”, to quote Wordsworth again, is insufficient. The Office of National Statistics index of national well-being includes a category under arts and culture.

There are many ways in which we can do better to provide true care and to build social capital and individual and social resilience. However, the arts have a special contribution to make beyond the benefits of social

engagement and human kindness. It may be that the therapeutic benefits of rhythm, colour and stimulus to the imagination are what count. Perhaps it is access to beauty, insight and the renewal of the life of the spirit. More research, including magnetic resonance imaging, will cast more light on this. However, the health and social care establishments, as they become more integrated, would be foolish not to grasp the opportunity of what the arts can contribute to health and well-being.

6.23 pm

**Lord Storey:** My Lords, I, too, thank the noble Baroness, Lady Jones, for securing this debate and for her important contribution.

I want to look at children in schools and in particular at how disadvantaged children can access the arts. The great and the good can go to the opera, visit art galleries and hear symphony orchestras, but how do we make sure that children living in abject poverty on council estates also have the joy and benefits of the arts?

Before I develop that theme, I have a message for Mr Gove. The attainment in maths and English of students who engage in the arts improves, particularly in the case of children from low-income families. I will give two examples from my own city of Liverpool. The first is in West Everton, which is one of the poorest, most deprived communities in the country. There is a project there where every primary school child—not just some, every single primary school child—learns a musical instrument. They form an orchestra, which has performed within the community, with the Royal Liverpool Philharmonic Orchestra and here at the Royal Festival Hall, and when they leave their primary school a second orchestra is formed at secondary school level. That has been hugely significant for those young people.

My second example came from Liverpool being the European Capital of Culture in 2008. A programme was set up called Creative Communities. Ordinary communities could bid for and secure grants for arts projects. We are talking not about arts organisations but about individuals within the community, or groups of individuals, securing grants. One school for 11 to 16 year-olds in one of the most deprived parts of inner-city Liverpool, with high truancy and absenteeism rates, problems with drugs and very low attainment, applied for a grant to make a film. It secured a £20,000 grant, and a film producer worked with those young people. They made the film, and I remember going to the opening night; they were all in black tie, with a red carpet and all the rest of it. That project was life-changing for those young people, and I mean life-changing. When they had finished working with that film producer and put on the premiere night of the film, they wanted to carry on with what they had been doing. The school was for 11 to 16 year-olds, but they wanted to do A-levels, so the drama teacher, who was called Miss Jones, continued to work with them on Saturday mornings. Of that group of 12 children, two went on to be teachers. Truancy and absenteeism at the school decreased and results improved. Arts really can inspire young people. Projects like Kids in Museums and Shakespeare in schools are hugely important.

I want to mention one final point in my allotted four minutes. I am terribly impressed by how the Arts Council's Artsmark has encouraged schools to focus not only on visual arts but on performing arts. Over the past four years we have seen a 44% increase in the number of schools recognising the importance of applying for an Artsmark, be it bronze, silver or gold. Does the Minister have any information on how we can encourage that Arts Council programme to continue?

6.27 pm

**Baroness Northover:** My Lords, I am delighted to be answering this Question for Short Debate on the contribution of the arts to the nation's education, health and well-being. I thank the noble Baroness, Lady Jones, for opening the debate so ably. We have had an inspiring and wide-ranging series of speeches. As the noble Baroness, Lady Bakewell, said, involvement in the arts is quite simply part of what makes us human.

From the earliest times, even with problems of survival that must have seemed far more pressing than those that we face today, humans have created art, as we saw from the fantastic Ice Age exhibition at the British Museum. I am sure that they created music too; the earliest of drawings indicate both music and dancing. Of course, every culture shines in different ways, and our own culture has been and remains distinctive and outstanding. We have world-class theatres, artists, galleries, heritage sites and music. As I heard my noble friend Lord Cormack, I was transported to Lincoln Cathedral and could hear the music. I could see the art in Middlesbrough and the unique hospital in Bodmin.

We fully recognise that engagement and participation in the arts generates a range of social benefits to individuals and society. It is not simply what makes us civilised. It goes beyond that; it is, indeed, what makes us human. The noble Lord, Lord Winston, went to the heart of this when he spoke so movingly of music in Theresienstadt and Auschwitz. It was as others sought to strip people of their humanity and indeed their lives that they found they could not quell that human spirit, expressed through music, plays and art.

That the arts also generate income is a wonderful bonus, and we are delighted that they do. I answered a QSD from my noble friend Lord Storey the other day in which we drew out the economic contribution made by music, which clearly is significant. As the noble Baroness, Lady Jones, said, there was a debate in the House in the name of my noble friend Lady Wheatcroft which looked at the economic contribution the arts can make. The importance of this, in my view, is the recognition that the arts are significant economically but I can assure the noble Baroness, Lady Jones, that we have always understood their cultural and human significance and of course, as the noble Baroness, Lady Bakewell, said, you cannot cost joy.

Clearly, interest in the arts starts from the earliest point in life, as Kate and William will find. Their little prince—that descendant of a Durham miner as the noble Lord, Lord Sawyer, pointed out—will soon be sticking together cereal boxes and making things and drawing lines on paper and calling others to admire

those lines. I would not be surprised if it is not long before he starts to bash saucepan lids together or sing "The Wheels on the Bus". To silence him or prevent him doing these things would distress him. It is part of his emotional well-being that he can thus express himself.

Of course, once children go to school part of their wider education will include the arts. Anyone seeing children spinning out of school with their paintings and creations can see their enthusiasm. Who has not had a painted egg box pinned on the wall or given pride of place to an uncertain-shaped mug, or relished receiving a wonderful handmade card? We fully accept that cultural education forms an important part of a broad and balanced curriculum. I can assure the noble Baronesses, Lady Jones and Lady Bakewell, and the noble Lords, Lord Howarth and Lord Storey, that the Government have confirmed that art and design, music, English, including drama, PE, including dance, and history all remain statutory subjects for all pupils aged five to 14, wherever they live and whatever their social origins. I agree with the noble Lord, Lord Winston, that schools should indeed introduce pupils to various types of music, including classical. I also assure him of our wholehearted support for the work of our conservatoires.

A high-quality cultural education should ensure that all pupils have the chance to read books, sing, make music, film or animation, dance, draw, design, perform, be given opportunities to attend art galleries and museums, see films, including world cinema and go to theatre and concert performances. We see the wonderful sight of large groups of children, excitedly making their way on school trips with their amazingly patient teachers.

Noble Lords will, I hope, be pleased to know that we are setting up a new film academy to help train talented film makers; developing a heritage schools programme, helping schools to make effective use of their local environment; funding a museums and schools programme, and setting up a new National Youth Dance Company, managed by Sadler's Wells. We are also funding 10 teaching school alliances to help develop continuing professional development and, following on from Darren Henley's review of music education, we are investing £196 million in music education hubs and we continue to invest in the music and dance scheme.

Schools can and should give children the opportunity to engage in arts they may have no knowledge of at home which may whet their appetite for arts as they go through life. Nothing is more satisfying for a parent who has dragged an unwilling child round a museum or gallery to discover, as they reach adulthood, that they wish to continue to weave this into their lives. We need to ensure that adults too can access those arts they wish to, and I commend the previous Government for ensuring that museums are free. We need to ensure that the disabled can access buildings and, in later life when people may be less mobile or even in care homes, we need to recognise that the importance of the arts remains.

As the Arts Council chairman, Sir Peter Bazalgette said:

[BARONESS NORTHOVER]

“The arts are a demonstrable source of health and happiness, no matter what age we are”.

Thus the Arts Council has jointly funded an arts and older people in care programme with the Baring Foundation to provide access to quality arts experiences for older people in residential care, as both participants and audiences. It funds the London Arts in Health Forum to develop the role of culture in well-being and to promote and support arts in health activity across London and nationally. With Routledge and other foundations, the Arts Council supported the Culture, Health & Wellbeing International Conference held in June, at which the noble Lord, Lord Howarth of Newport, gave the keynote address, which I found very interesting.

Engagement and participation in the arts can have significant impact on well-being and happiness. In recognition of this, the Office for National Statistics has included engagement with arts and culture within its measurements of national well-being, as the noble Baroness, Lady Jones, mentioned. We ensure that the widest possible range of people can enjoy this engagement with the arts. For example, the Arts Council-funded Youth Music supports music projects in the youth justice system and several other organisations work with young offenders. The noble Baroness, Lady Bakewell, points to the importance of plays and the understanding of those plays, within prisons.

Of course, a number of factors may well make up a person’s well-being, whether it is through their relationships, their work, their living situation and their general health, as the noble Lord, Lord Rea, pointed out. However, we know that well-being is more than simply physical, and that mental and physical health are inextricably intertwined, as the noble Lord, Lord Rea, again made clear. In addressing physical health, it is important to address mental health and that sense of well-being, which is why we emphasise that healthcare must be person-centred. We have given mental health a new priority, enshrining it in law for the first time as having equal importance with physical health.

Public Health England is looking closely at well-being, and we recognise that arts activities can promote that well-being. Since 2010, a group of organisations across England has been working on a new national voice for arts and health, as the noble Lord, Lord Howarth, has said. Supported by Arts Council England, this work has involved the development of a charter for arts, health and well-being, and the establishment of a new organisation, the National Alliance for Arts Health and Wellbeing, which was launched last autumn. Of course, many hospitals include artworks, and there are participatory arts programmes. Some doctors have an arts aspect to their training; I know that because I used to teach the intercalated BSc in the History of Medicine at University College London.

The National Institute for Health Research welcomes funding applications in this area. However, as the noble Earl, Lord Clancarty, was perhaps right in saying, we should need no justification for supporting the arts. He also asked a number of specific questions, which I will quickly address. He asked about the leafleting Bill of my noble friend Lord Clement-Jones. As I said in the music debate, my noble friend Lord De Mauley has agreed to look at guidance to local authorities. Both the noble Earl and the noble Lord, Lord Sawyer, flagged some wonderful places, and I can assure them that DCMS is concerned for them and watches this with great care. I can also tell the noble Earl that the GREAT campaign is indeed well placed to showcase our national and regional assets abroad, and is doing so. We will flag his points up with the campaign.

As I have said, enjoyment of the arts in all their wide variety is part of what it means to be human. One only has to see young people with their earphones in, listening to music—perhaps even if it is One Direction—to recognise that. That was why, of course, music played such a key part, along with the Lowry-esque landscapes and the NHS, in the opening ceremony of the Olympics. It is all part of who we are. We celebrate its diversity and creativity.

*House adjourned at 6.38 pm.*

# Grand Committee

Thursday, 25 July 2013.

## Energy Bill Committee (8th Day)

2 pm

### Amendment 55AB

Moved by **Lord Roper**

**55AB:** After Clause 14, insert the following new Clause—

“Regulations: backstop power purchase agreements

(1) Regulations made under section 6 must include provision under which—

- (a) every eligible generator who is a party to a CFD may, in specified circumstances, by notice in writing require the Authority (or such other person on whom the regulations confer functions) to secure, within no later than one month after the notice is given, that an electricity supplier (or a person of such other description as may be specified) enter into a power purchase agreement on terms set out in, or determined in accordance with, the regulations (a “backstop PPA”); and
- (b) for the duration of the backstop PPA, the strike price under that CFD (or under any other CFD entered into in connection with the backstop PPA) is set at a level specified in, or determined in accordance with, the regulations.

(2) In determining the provision to be made under this section, the Secretary of State must have regard, in particular, to—

- (a) the desirability of ensuring that every eligible generator who is a party to a CFD is able to borrow money commercially for its business purposes at reasonable cost and over a reasonable period (including borrowing which involves the lender taking an equity stake in the generator);
- (b) accordingly, the need to ensure that the terms of every backstop PPA, and the level of the associated strike price, are such that every backstop PPA is demonstrably viable for the eligible generator.

(3) Where, at the time a CFD is made, regulations make provision for any matter referred to in subsection (1), subsequent regulations may not alter that provision in relation to that CFD during its term.

(4) The Secretary of State may exercise the powers conferred by Chapter 6 of this Part (modification of licence conditions) for the purpose of giving effect to provision made under this section.

(5) The Secretary of State must keep under review the effectiveness of provision proposed or made under this section for achieving the objects set out in paragraphs (a) and (b) of subsection (2).

(6) In this section, “specified” means specified in the regulations.”

**Lord Roper:** My Lords, Amendment 55AB is also in the names of my noble friend Lord Jenkin, who unfortunately is unable to be with us today, the noble Baroness, Lady Liddell of Coatdyke, and the noble Lord, Lord Cameron of Dillington. The amendment, which is fortunately grouped with the very interesting amendments that the Government have tabled on the same subject, tries to guarantee the independent renewable energy generators who have a vital role to play in ensuring that we have secure, affordable and sustainable energy in the United Kingdom.

The independent generators feel—they certainly did before the Government tabled their amendments last week—that the Energy Bill puts at risk their ability to raise the funds necessary to invest in vital infrastructure because it does not provide a clear route to market for them once they have carried out that investment. They feel that the Bill effectively entrenches independent generators’ dependency on the big six through their power to provide long-term power purchase agreements. They therefore feel, and have felt for some time, that the lack of effective competition for those long-term power purchase agreements means that the terms available to the independent generators make their position unviable and make it that much more difficult for them to raise the funds necessary to carry out the investment that we all believe is important.

This is a problem, in their view—I realise that others may have a different analysis—of a structural market failure that will not be solved by Ofgem’s liquidity reforms. Nor will the move to a new structure of CFDs provide to a market source the sort of competition that would enable them to obtain PPAs. This problem of market access by the independent generators was, I understand, first raised by them with the department two years ago when it was first announced that the renewables obligation was to be withdrawn and replaced by the generation support mechanism that we have been discussing this week.

The failure to tackle the problem earlier reflects to some extent—I do not want to be unkind; I understand the difficulties that the department has had in trying to model these problems—inadequacies in the assumptions that were made about how the market would operate in this situation. There was an assumption that it would operate rather more effectively and that, therefore, there was no need to guarantee a route to market for the independent generators.

Of course, those of us who have had a chance to study the Baringa report on which the Government’s amendments for a backstop PPA proposal are to some extent based, was received by the department in its final form less than 10 days ago. Therefore, one understands why there is still a great deal more work to be done before final decisions can be made as to the way in which a backstop could be set up. On the other hand, the independent generators feel that there is an urgent need for the Energy Bill to be amended in such a way that it includes a solution which incorporates plurality in the market for PPAs from the beginning. It will not be possible for them to make applications for CFDs without having some assurance that they will be able to market what they produce on that basis.

As was discussed in Committee in the other place, many in the industry prefer the solution of a green power auction market to solve the problem. The Government have claimed that this would be a more expensive way to achieve the objective. There is, of course, a dispute about that. The independent generators would argue that they could achieve a £2 billion saving for consumers by removing a middleman charge that the current market generates. I am not sure about that but one of the problems that I have, and why this amendment has been tabled in the way that it has, is the complexity of developing the backstop PPA. The

[LORD ROPER]

more I read the Baringa report, the more difficult I feel this is going to be. That complexity is such that I believe it is important that there should be a backstop in the form of a green power auction market if it is not possible to implement the backstop PPA. That is why this amendment has been put down in the way that it has. If the backstop PPA is not viably implemented and in place when the first CFDs are in operation, the independent generators will be under a clear disadvantage compared with the big six and the foreign state-backed utilities, contrary to what the Minister in the other place pledged in Committee, and UK energy security will be at risk.

According to what we have read in the department's helpful briefings, the regulations will not necessarily be laid until next year. What we need to hear from the Minister today is an assurance about when they will be implemented so that the independent generators can be sure that they will be available at the appropriate time. With the detail of the backstop proposals still to be finalised, it seems to us necessary that the Bill also empowers the Government to implement as a backstop to the backstop the GPAM, which is the only clearly worked-out solution, and one which could operate, even though I realise it has some disadvantages.

I have a further amendment in this group, which is the traditional amendment with which, I am afraid, I have teased the Committee in the past—that is, the power to make regulations by the affirmative procedure rather than the negative procedure. I am sure that the Delegated Powers and Regulatory Reform Committee would have recommended that provision if it had had a chance to consider these amendments. I beg to move.

**Lord Cameron of Dillington:** My Lords, I have put my name to this amendment. Our energy markets are dominated on both the generation and supply sides by the big six integrated utilities. Meanwhile, we have a very complicated situation whereby the Government are trying to maintain semi-market conditions in a marketplace that is obviously rigged, and rightly so, in order to decarbonise it and ensure security of supply. As a result, the contortions and complications in this marketplace are mind-boggling, as my noble friend Lord Roper said. It is hard to see how the EMR game will evolve in this respect over the next decade.

One basic principle if we are to have an efficient marketplace is that we need to balance as far as possible the amount of power generated with the demand for that power—with a capacity margin, of course. There is no doubt that the integration of a power supply chain makes achieving that balance much easier but having all the power generated by only a few is not in anyone's interest. We need as many independent generators as possible and that means they need to be able to secure investment for their projects. The Government recognise both these facts in their amendments in this group.

To touch on the principles involved here, I understand the argument made by some that no business should have the right to make a guaranteed return for its investors, but in the electricity market we are dealing with a special situation. We have to make the big jump

from fossil fuels to renewable power. In a competitive, international financial marketplace, with many variable investment opportunities in many less risky and possibly less complicated fields, investors and banks are reluctant to commit to the renewable generation industry without a reduction in the long-term risk. For the sake of our energy security and energy decarbonisation, not to mention our overall economy, we need that reduction in risk and thus that commitment. The Government's recognition of this in their amendments is very pleasing.

To continue to defend the principles behind the Government's amendments, it is important to remember that an increased risk inevitably leads to an increased cost of capital, which in turn leads to higher costs for consumers. We do not want that increased risk. Bear in mind that renewable technologies are pretty much all about the cost of capital because after the initial capital cost the actual source of the power—wind, sun, tide or waterfall—is usually free, provided that the management is satisfactory.

So far I could have been speaking in favour equally well of the new government amendments as our own. My only real worry about the government amendments is that, with all the “may”s rather than “must”s, and all the possible provisions that might or might not appear at some undecided time in the future, these amendments descend on one like an amorphous cloud of uncertainty. One recognises that somewhere within them are the right intentions but no one is quite sure how it will all work out. I suspect that we will return to these amendments on Report to get greater clarity.

Returning to our amendments and Amendment 55AC in particular—the noble Lord, Lord Roper, spoke about this—it might be worth touching on the choice between a backstop power purchase agreement, or PPA, and a green power auction market, or GPAM. My own view is that of the two options GPAM is the better one. I would very much prefer it if the Government could keep Amendment 55AC up their sleeve in case their backstop PPA does not do the trick for the investors. I cannot see what harm it would do to have it in reserve. That would make it much easier in future to revert to the existing, proven system. I stress those last three words: the NFPA exists and works. It would be crazy not to put this option in the Bill now just in case investors lose confidence in the backstop powers. It does not matter how confident the Government are that their way will work. It is the confidence of the investors that matters. There is no way of second-guessing the marketplace.

As I said, the existing NFPA is already a proven option and works extremely well selling six-month contracts six months ahead—because it is only for six months. The balancing risk is low for the supplier. They will not get caught out buying too much power at the wrong price that will look silly in five or six years' time. That is very helpful to the small supplier and therefore encourages greater diversity and competition at that end of the marketplace. That may be why the big six do not like it. Meanwhile, we already know that GPAM creates enough flexibility and reliability in the marketplace to boost the confidence of the investor, who is needed to support the independent generator. All that is already proven.

The other element that persuades me that GPAM is best is that I do not like the idea that the backstop PPA leaves DECC or Ofgem in overall command of the marketplace, setting both the strike price and the electricity floor price. I prefer some semblance of a working market, even though a true market may be some way off. I guess that this is my main preference for GPAM. We all hope that in 25 or 30 years' time, our reliance on CFDs and strike prices will be considerably less. I hope that we will not need a floor price set by a backstop PPA.

The renewable power industry in all its diversity will be strong enough to stand largely on its own feet, and it is at that point that we will need a real marketplace with as many players as possible to help create competition, both for generators and suppliers, and thus help provide cheap energy. There is more chance of the currently proposed GPAM transmogrifying into a body fit for purpose at that time than a state-controlled backstop PPA. I am surprised that a Conservative Government do not also see that.

I am not saying that we should attempt to create a power marketplace in 2013 that is fit for the 2030s but let us focus now on the needs of today. We should stick as closely as possible to a real market, even if it is at this stage only an embryonic market. Thus, I believe that as a backstop to the backstop, Amendment 55AC is an option that is very worth while considering while we are in legislative mode.

2.15 pm

**Baroness Liddell of Coatdyke:** My Lords, I am delighted to have this opportunity to follow the noble Lords, Lord Roper and Lord Cameron, because I, too, lent my name to the amendment. I draw attention to my entry in the register of interests and apologise for my croakiness. It will have one advantage: I will be brief.

I am delighted that the Government have tabled broadly similar amendments but I am very concerned about their tentative nature. I started out by being concerned about the backstop and how it would operate because the reality is that at the point at which the backstop kicks in, you are already at the 11th hour. If I may mix my metaphors, it is like saying to someone who is standing on at the edge of a crumbling cliff, "Don't worry if you fall off; the RAF has a very good search and rescue operation". It is very troubling that there is no recognition of the stage at which a company or project would be when the backstop was applied. I am delighted that someone as eminent and knowledgeable as the noble Lord, Lord Roper, found the Baringa report a bit impenetrable; I found it totally impenetrable. One of our main problems is that no one is certain about how this will work.

I am slightly jealous of the Minister because this is a classic situation in which a Minister could bring common sense through the middle. The Bill has been about two years in gestation—it has the gestation of an elephant—and we are still at a stage where we do not have the kind of clarity that, frankly, the funding market really needs. There is a fantastic opportunity over the summer for the noble Baroness, with her officials, to go through some rigorous testing of what

is proposed here. There is no doubt that we will come back to this on Report because when cold towels are wrapped around heads there will be recognition that we need to go beyond the theoretical and look at the practical. If there is one warning from how the market has operated so far, it is the current attitude of the financiers, the investors.

As the noble Baroness said, when we were discussing Amendment 53BB, no one is blessed with perfect foresight and energy markets are wonderful at knocking people sideways. Things happen off stage that disrupt the functioning of energy markets. That makes it all the more essential to have a degree of flexibility. I can understand why the department has relied so heavily on the big six because they are the big operators in the field, but they are not entrepreneurs. We had an interesting side debate the other day about capitalism. What we are talking about here is entrepreneurialism on the part of the independent generators.

If noble Lords cast their minds back, it was interesting to hear what the noble Lord, Lord Deighton, said at the Dispatch Box during Question Time on Tuesday about infrastructure development. He referred to how important renewable energy, particularly offshore renewable energy, would be in helping our investment in infrastructure to move ahead. Yet these independent generators are the very people who are coming along and saying, "Hold on a minute; we don't have the certainty to invest". I get the impression that some people, when they are looking at the scale of these investments, think that we are talking about something that will cost £200,000 or even £2 million. There is a project in Edinburgh that could supply sufficient energy for all of Edinburgh and Fife. Its cost is somewhere in the region of £1.3 billion—not small fry. You could buy a very big part of an aircraft carrier for that; you might even be able to buy some planes to fly on it. That project, Neart Na Gaoithe—I am glad that the noble Earl, Lord Caithness, is not here, because I suspect that he is a native Gaelic speaker, which I am not—is in the market at present. This is not a model that we are looking at here; this is men and women out knocking on investors' doors now and having difficulty in raising money. I ask the Minister, during the summer, when she has had the opportunity to have a good break, to take the chance to jump over the lobbyists and talk to the companies that are investing and experiencing considerable difficulties.

Amendment 55AC refers to the green power auction market. Like the noble Lord, Lord Cameron, I am more attracted to that than I am to the idea of the backstop. It is strange for someone sitting on this side of the Committee to be saying, "I am in favour of a fully operating marketplace", as distinct from those on the other side, where they are talking about market manipulation. I think GPAM would be a clearer way in which to operate but, frankly, I would settle for anything that gives us the certainty in the marketplace that those involved in these investments very much desire.

There is no doubt that we will come back to this. I very much look forward to hearing the Minister say, on returning to us in the coolness of the autumn, "We've worked out how this is going to work—this is

[BARONESS LIDDELL OF COATDYKE]

how we're going to change it". The downside is that we have about three months to go and there are investors out there having difficulty raising money. That is the thin end of the wedge and that is what we should be thinking about.

**Lord Deben:** My Lords, we may have noticed that there is a good deal of support on both sides for what the Government are trying to do. I hope that my noble friend the Minister has noticed the tone in which these discussions have been carried through. We would like to be convinced, and we are unconvinced only because these measures are quite difficult to understand. The document that I have here is not for bedtime reading, unless you wish to give up on the Mogadon, because it is very complex.

One thing in the Climate Change Act that the climate change committee is supposed to do is to ensure that the public understands what it is doing. I do not think that that is a bad thing to have at the back of one's mind. I just hope that I do not have to stand on a platform at this moment and explain in simple terms what is in here. I suspect that my noble friend the Minister would agree that that is not the most comfortable place in government just at this moment. It is not because there are things that are necessarily wrong with it, but there are extremely complicated things in it, and we want to make sure that it is as good as it can be. That is my first point.

On the amendments, I remind noble Lords that this is no small matter. Electricity from renewables increased last year by 19%, which is pretty remarkable; it is 11.3% of the total. We are not talking about some tiny little thing, which is what the climate change dismissers are always saying. This is no longer a gleam in the eye of Greenpeace; it is a central part of what we are seeking to do. Therefore, we have to recognise that enabling the elbow room for the renewables sector is very important. The Government have recognised that and, on all sides, people have said that the government amendments do extremely well.

I want to put three simple propositions to my noble friend. First, it is instinctively difficult for free marketeers such as me to be entirely keen on a system where the Government are fixing almost every element of the process. I recognise that it may be necessary—and, indeed, if it is necessary, I shall be the first to defend it. But I think that she understands why one starts by being a little concerned about that.

Secondly, we need a convincing explanation of why some kind of auction is not part of the set up. It has been shown around the world that the one way in which you get lower prices is through a descending auction. There is no doubt about that. The advantage of that is that it does have that effect. From what happened in Brazil it is clear—it is not that it has not been tried and found wanting; it has been tried and it works—that you can bring prices down if you operate in that way.

It gives huge confidence to the public because, instead of the Government having to explain in the context of a document such as this why they have delivered this, that or the other, they are able to say to the market, "Look, the price has been fixed at the

lowest figure we can see working". There is a real issue of communication here and a need to explain why—apart from the unconvincing pushing aside in the other place when Ministers said it would be very expensive and complicated. I was a Minister for 16 years and I knew that any civil servant who said we could not do something because it was expensive and complicated had not worked it out. That mechanism is always used; it is the technique. I look with care at those behind my noble friend. An issue may be complicated but you might be able to make it simple, but the idea that it is expensive I have never seen proved in any independent area. I would like to be 100% on the side of the Government on this but the whole concept of a competitive system based upon some kind of auction is so valuable that we should not lose it.

Thirdly, the worst kind of debates in the other place, and even more so in your Lordships' House, are about what it means rather than about what should be done. My worry in this area is that if we get to the Floor of the House and spend our time trying to work out what it means, we will probably get it entirely wrong. It would be valuable if the Government could clear that bit out.

The noble Baroness, Lady Liddell, and I have not always agreed on matters over the years but at least on this we can be at one. We want to arrive in October with a clear view of what is being proposed and what its ramifications are so that if we do not agree with it at least we are talking about the same thing. I fear that if we argued about it now we would be arguing about something that was different in the mind of every Member of the Committee. After all, we have chosen to try to understand these things rather more than the generality. I hope my noble friend will treat the amendment with that kind of approach, rather than saying, "It does not quite work in this way or that way".

**Viscount Hanworth:** My Lords I shall speak to Amendments 55AE, 55AFA and 55AFB, which are all in my name. Amendment 55AE, together with my subsidiary amendments in this group, covers the same ground as the amendment of the noble Lord, Lord Roper, and others but it is not as specific in what it calls for. The amendment was conceived before the government amendments in the name of the noble Baroness, Lady Verma, were tabled. I do not believe that the government amendments provide an adequate answer to the problems. My subsidiary Amendments 55AFA and 55AFB, which seek to amend one of the government amendments, are testimony to this.

Amendment 55AE calls on the secretary of State to make regulations that will ensure that the independent electricity generators that employ renewable technologies will find a route to market for their produce. We are aware that the Government are relying on those enterprises to provide a large proportion of the investment in renewable electricity generation: the figure is anything between 35% and 50% of the new investment. There is also a widely perceived danger that, in the absence of further provisions in the Bill, the independent generators will be squeezed out of the market. The reality is that the big six electricity firms, who supply more than 90% of the electricity that is sold to consumers and businesses, have been expanding their generating portfolios

to include an increasing proportion of renewable energy. In the process, they have been dispensing with the services of the independent generators. The renewables obligation, which for a while was effective in obliging the big six to purchase the output of the independent generators, is becoming ever less effective in sustaining them. The suspension of the renewables obligation in 2017 would surely spell the doom of the independents unless some effective measures are enacted to prevent that.

2.30 pm

For a long time, the Government have ignored the plight of the independent generators. Quite simply, they have failed to perceive the dangers that the Bill poses for them. Now it seems that, at last, they have begun to understand their circumstances. In the Commons on 4 June, the Minister, Greg Baker, was keen to assure Members that the Government now have the matter under active consideration. He undertook to respond more fully to the proposal for a green power auction market, GPAM, in the course of the Bill's passage through Parliament. However, he also asserted that independent generators face only a short-term problem. He gave a bland assurance that the contracts for difference, which are the essential provision of the Bill, will undoubtedly improve their circumstances and that they will offer them "the best long-term solution". I am bound to say, as JM Keynes once did, that in the long run, we shall all be dead. Clearly, the independent generators may not survive into the long term. They need assurances here and now that they have a viable future of a sort that will enable them to attract investment funds.

There have been some developments in the past few weeks. As recently as last Thursday, the noble Baroness, Lady Verma, tabled amendments to the Bill designed to improve access to the market for the independent renewables generators. The new so-called backstop powers granted by her amendment would allow DECC or some other agency to command electricity suppliers to buy power from the independent generators, if those generators are unable to establish a viable purchasing power agreement with one of the major suppliers.

The proposals for a backstop power purchasing agreement are contained in a document prepared for DECC by a consultancy called Redpoint Baringa. The document has existed in draft form since the end of February, or, it may be, for longer, but it appears to have been largely neglected by DECC until recently. The document appears to suggest that, in the main, the independent generators will find an easy route to market and that they will have little difficulty in raising capital. It is assumed that, in consequence, recourse to the backstop provisions will be an infrequent occurrence. The provisions are designed to make this a none too profitable recourse for an independent generator. The report states that,

"this option will be designed to be unattractive for equity under normal market conditions and should therefore only be triggered by the project as a last resort where it cannot secure a PPA or alternative route to market that leaves the project in a better position than under the backstop arrangements".

It seems to me that the report's proposals embody the same optimistic assumption regarding the proper

functioning of a competitive market that was the fallacy under which the draft Bill was labouring and which continues to be a feature of the fond imaginings of the Government. Therefore, the proposals do not address the problem of the independent generators in any meaningful way.

Whereas the amendments tabled by the noble Baroness, Lady Verma, accord very considerable additional powers to the Secretary of State, they do not spell out any of the details of the backstop provisions. The Renewable Energy Association has declared that although they might reassure lenders that they will not lose their money if they generator cannot find a buyer for the power, the provisions will not provide much encouragement to invest. Investors will need to see some secure long-term purchasing power contracts; they will need more than a mere assurance that someone will step in if all else fails. My subsidiary Amendment 55AFA is designed to ensure that any power purchase arrangement that might be established under the backstop provisions would be enduring and not just a temporary expedient.

The Independent Renewable Energy Generators Group, which represents a majority of independent generators, favours the alternative option of a fully fledged green power auction market modelled on the existing provisions of the Non-Fossil Purchasing Agency, the NFPA. Under such provisions, a generator's output would be auctioned in six-month blocks on a rolling basis for the duration of its contract for difference. The auction prices would create a market reference price relative to which the payment under the contract for difference would be determined. I should say that the Bill proposes that payments in favour of the generators are to be made whenever the reference price is below a datum known as the strike price, and that charges are to be imposed upon them whenever the reference price exceeds the strike price.

It is notable that the amendments in the names of the noble Lord, Lord Roper, and others cover both the option of backstop powers on the one hand and the option of a green power auction market on the other. It clearly signals that something must be done and that it must be done urgently. However, it is uncertain that such provisions would be sufficient to overcome the problems of the independents.

It seems, as I have already observed, that the backstop powers will be invoked only when all else has failed. At such a stage, the market failures will have been sufficient to deter the investors on whom the Government are relying. On the other hand, the green power auction market presupposes the presence of a sufficient number of willing purchasers. In their absence, the auction price, which would become the reference price, could be driven to a very low level. As a result, the contracts for difference would imply a major flow of funds from the counterparty to the contract in favour of the underutilised independent generators.

That point seems to have been missed by the Government, particularly in the context of their Amendment 55AF, wherein proposed new subsection (6)(b) calls for the price at which electricity is to be purchased under the backstop arrangements to be determined by auction. My amendment proposes that it should be determined in reference to the current market price.

[VISCOUNT HANWORTH]

Something more effective surely needs to be done. Here, the difficulty arises: any measures that are liable to be effective are unlikely to find favour with the present Government on account of their political and ideological predispositions. The only viable solution that I can envisage is a state-sponsored electricity marketing authority. This would purchase its supplies from the independent generators, and it would aggregate them and sell them in competition with the supplies of the big six electricity companies.

We have heard much talk of the virtues of competitive markets and of the tendency of private enterprise to engender competition. The reality of the energy market, if one is prepared to recognise it, is that free enterprise has engendered a dysfunctional oligopoly. The participation of the state in the energy market would, in my opinion, be the most effective way of introducing genuine competition into the market. It would provide a countervailing force that could redress the power of the big six oligopolists.

**Lord Teverson:** My Lords, if there has one been theme since the Bill started its long route over the past couple of years to where it is now, it is that it is not decarbonisation that has been the subject of the big debate—although it is a bigger debate now, I admit—but access to the market and competition by a vibrant independent generating sector. I would not be as pessimistic as the noble Viscount when he says that this sector would be squeezed out altogether. However, we want to see not just a surviving independent sector—and I believe it would survive under the conditions that we have at the moment—but a vibrant and expanding sector where we see future competition growing. I do not think we have got there yet. Whether it was the Select Committee in the House of Commons that went through the draft Bill or our own committee under the noble Lord, Lord Oxburgh, the whole area of independent generator competition was a theme that was common to us both and a very strong one.

What concerns me is not that the Government do not understand that this is an issue. I think that they do and that they have done for some time. They have done a lot of work on this, and I am sure that the Minister will go through it. The Government are aware that this is an issue and have been working on it very hard. What concerns me is that, as far as this Bill and the amendments are concerned, we still seem to be in a position of “may” rather than “must”. Although we talk about this in all sorts of other areas and sometimes use it as a political ploy—sometimes trying to strengthen something that is legitimate as a “may”—in this area it prolongs the uncertainty of the market.

When the Bill started its long process back in 1910—I mean in 2010-11; it might seem like the last century but it clearly was not—we said we saw this as important. I thank the Minister for keeping us very much in touch with the Government’s thinking via her letters. In her letter of 22 July she quite rightly said:

“This is a key issue as independent renewable generators currently hold a significant pipeline of projects”.

We understand that but the point is that over this period it has always been that the ROCs would finish in 2017. That system gave a fair degree of certainty.

We are now two or three years on in that process and it is only some three and a half years until that April 2017 deadline. By the time this Bill becomes an Act, as it surely will in whatever state, that will be down to three years. As the noble Baroness, Lady Liddell, said, these major investment projects take time, whether it is in planning permission, judicial review or all the other areas. By then we will be well into the post-2017 period. That is why it is important that the Bill firms up on that and why I am slightly concerned that it is still a “may” situation in these amendments.

Also, the Minister’s letter says:

“Whilst I believe that the introduction of the Contracts for Difference ... will greatly improve conditions in this market, I appreciate that [we] may need to go further to support independent developers. This is why I have tabled amendments to allow the Government to further support independent developers if necessary”.

I understand that entirely and welcome the great clarity that the Minister has given in her correspondence to all our debates through this Bill—that has been exceedingly good. What concerns me is that the point has come where, as a Government—I point out to the noble Lord, Lord Cameron, that they are Liberal Democrat as well as Conservative—we need to come off the fence. We need to say, “Yes, this is not just a problem but one we understand needs to be fixed—and it will be in the legislation”. I am sure the Minister will assure us that by Report there will be a very strong indication of exactly how this is to be played out.

One unfortunate thing in this long process is the feeling that the auction system has partly been disregarded because of the pressure of the big six. That may be completely fallacious and wrong but that perception is there. That means that the perception remains that this market is not fully open to full competition for a generation into the future. We absolutely need to make sure that it is.

**Baroness Worthington:** My Lords, I am very grateful to the noble Lords who tabled amendments and spoke so eloquently to them this afternoon. Obviously, in this group we also have the Government’s own amendments, which share many aspects with the others.

The question of independent generators is crucial. As noble Lords have already said, this is an important sector and deserves to be treated with all due seriousness. The group of independent generators, which I am sure has been in contact with many noble Lords present, already represents 20% of the onshore wind capacity in the UK. According to Ofgem’s projections, independent generators are already responsible for 12% of renewable capacity and are expected to be responsible for between 35% and 50% going forward—something to which my noble friend Lord Hanworth alluded. This is not a small part of the market but a considerable part of it, and my noble friend Lady Liddell pointed to the reasons for this. The group represents the entrepreneurial energy developers in this country and it is that burgeoning sector that is providing jobs and investment for a green economy. I am not saying that the big six and other energy companies are not also participating but the entrepreneurs have shown great tenacity and appetite for engaging in a complicated market, but yet can succeed.

I should like to bring the Committee's attention to the fact that last week economic statistics were produced that showed that the green sector in the UK grew in 2011-12 by 5% at a time when the rest of the economy was in a double-dip recession. The green sector is an important engine of growth for the country and we hope that that will continue.

2.45 pm

**Lord Deben:** Did the noble Baroness also notice that the sector much outpaced every other part of the economy and was particularly strong in the United Kingdom, when compared with comparable economies? When the naysayers, who are not represented today—as they rarely have been in this Committee—talk about these matters, it would be good just to remind them that nowhere else in the economy is there development going on like this.

**Baroness Worthington:** I thank the noble Lord for his timely intervention. I could not agree more. It is a shame that those statistics were not trumpeted more. We would all feel very proud that that happened at a time when the rest of the economy was not doing so well. It was not just that there was good growth in that sector but it positively affected our balance of trade. There are very few sectors in which we can say we have a positive balance of trade with China, but in this sector we can. As the noble Lord alluded to, the global average rate of growth in this sector was only 4%, while we were at 4.8%. Tiny nation though we are, our growth in this sector is outstripping much larger nations. We are up in the top six countries in this sector. I am sorry that I am waxing lyrical slightly here but it is important. We are a nation of innovation and entrepreneurial spirit. We were the country that brought the Industrial Revolution to the world; let us not forget that. Let us hope that we will remain at the forefront of this industrial revolution. I know that that sounds like a grand introduction but it is pertinent to this part of the Bill. We really need to make sure that this sector is protected and that no unintended consequences are meted out to it as a result of the Bill.

Why is there an issue? It is probably fair to say that it was already emerging. The renewables obligation has been a good policy that has driven a lot of investment, but we were already hearing that independent generators were finding it difficult to secure power purchase agreements. At the heart of this issue is the problem, alluded to many times throughout our deliberations in Committee, of the vertical integration of the big six. There is no liquid, open competition in generation. We have an oligopolistic system of six vertically integrated companies that dominate. It will come as no surprise that on this side of the House we believe that the time has come to address that. We would have preferred to see genuine market reforms that required the selling of power into a competitive pool, which would be good for competition, liquidity, the independent generators and the consumer. We know that the Government are not yet there but we hope they will join us soon.

It is true that the Bill helps to make the case even stronger for splitting apart that vertical integration because we are moving into a system of contracts for difference. We are moving away from the arguments in

favour of vertical integration, which are that you need it to secure finance and build new capacity, but when you have a CFD the argument is, by and large, weakened. There is also a big intervention in the capacity mechanism. The time is therefore coming, if not now then very soon, for the issue to be properly addressed.

I want to say a word about Amendment 55AGA, to which the noble Lord, Lord Roper, has spoken. These proposals, though welcome, come quite late in the day. As has been mentioned, we have known about this problem for two years and yet here we are addressing the issue on the eighth day in Committee and on the final stretch. I think it was the noble Lord, Lord Jenkin, who said that it feels as though we are making things up as we go along. I would not say that it was as bad as that but it does feel as though these measures have been considered quite hastily. Making this a negative resolution risks the ire of the Delegated Powers Committee, which has not yet had a chance to consider it, and we strongly urge acceptance of Amendment 55AGA in order that we may properly scrutinise this complex and rather late addition to the Bill.

I should have said at the start that I want to pay tribute to my colleague, Alan Whitehead, in the Commons, who helped raise this issue. I apologise on behalf of my noble friend Lord Grantchester, who was going to speak to the amendment. He cannot be in his place today but he wishes us every speed.

I have explained why there is an issue and, in the spirit of collaboration and seeking to make the Bill as strong as possible, I should perhaps now explain what I think the solutions are. First, we know that the industry wants to find a resolution to this issue. It is very keen to work with the Government and would like to have proper consultation with the department. It has been mentioned to us that the organised consultation process was slightly opaque. I know that five of the renewables trade associations, as a group, have written to the department requesting more clarity in the consultation process around the detail of these provisions. They are worried about communications not being consistent and they are worried about the timelines. They need reassurances from the department and a clearer process of involvement.

Further to the point made by the noble Baroness, Lady Liddell, this should also include investors, who are absolutely at the heart of the issue. Clause 44 is about facilitating investment and not about liquidity, which is dealt with in Clause 43. It is very important that the consultation process fully involves the investors who will be necessary to get these projects under way.

I have not spoken about the GPAM alternative. I am not sufficiently across the details to know whether the GPAM is a better option than the backstop power but the wording of the government amendment limits the options. At the moment, Clause 44 gives a broad power to do what is necessary. The government amendments would remove that flexibility and narrow it down to the PPA. The PPA may be the right answer but I am not certain that that narrowing down is a good idea. I have been critical of the breadth of some of the powers but in this case, given that it is still in development and that consultation is necessary, I urge the Government to keep open the option of making a

[BARONESS WORTHINGTON]  
different type of intervention if necessary. That would tweak the government amendment. It is important that we do not put all our eggs in a basket that is still being made when we are not quite sure whether it will work.

The industry itself can find solutions. The big six are obviously dominant but there are other players such as independent suppliers who can give PPAs. Unfortunately, the creditworthiness of those suppliers is an issue.

**Baroness Liddell of Coatdyke:** My noble friend is right to draw attention to the fact that there are a range of different institutions that one can talk to. For some of us, one of the easiest things to do would be to have a cup of tea with the noble Baroness, Lady Armstrong, who until two weeks ago was the chairman of a community energy company that has just fallen off the cliff because of the attitude of a major generator. She, of all people, can tell us the view of the independent generators about this period of uncertainty, which is having an impact on people even as we speak. It is a small pro bono operation that has been jeopardised by the attitude of a major generator.

**Baroness Worthington:** I thank the noble Baroness for alerting us to that. As I was saying, there is clearly an issue and a need for intervention. There are existing alternatives for the independent generators. Perhaps one thing that we need to explore is how we can strengthen those independent suppliers. Ecotricity was a very good example. It was set up to build wind farms but found that the way that it could build its business best was to have a supply arm creating its own form of vertical integration. It is a way of creating more liquidity and plurality in the market to help those independent suppliers to buy from the independent generators. That seems logical, so perhaps we can explore how those can be better balanced.

There are also aggregators in the market. One problem that independent generators face is that individually they do not have the capacity to employ traders. The big six all routinely employ traders for all sorts of reasons, and that gives them a massive market advantage from being able to enter the various markets themselves. Aggregation and the provision of grouped trading services is necessary to help to support suppliers. That is another area that we could look at in more detail to see whether something needs to be done to make it more effective.

Finally, if we find, once the Bill is passed and we are on the road towards a low-carbon economy, that independent generators are simply not getting PPAs, we must make sure that we are monitoring the situation closely. I hope that the authority will be given a clear direction to be listening and asking what is happening in the market following the Bill's enactment. I shall end on a hopeful note. If it then transpires that that there is insufficient liquidity and PPAs are not being granted, perhaps the authority will accept that it has not done enough to generate competition in generation.

**Viscount Hanworth:** It will be too late.

**Baroness Worthington:** I do not think it will be too late. The reason I say that is independent generators, as we have just discussed, are already quite substantial players; they are receiving revenue as we speak. This is about their forward plans and the investment in the future. They will not go bankrupt because we are not doing anything to affect their current investment base. We can overegg the problem. I have stated myself how important I think they are, but I do not think that they are going to disappear or go bankrupt, because they all own projects today.

I was slightly thrown by that intervention. If we find that there is a problem: that the liquidity is not there and the PPAs are not forthcoming, that signals that we have a further market reform to bring forward, which must look seriously at the pooling of power and the creation of a genuinely competitive market. That would be the real solution for giving everybody a fair market within which to operate.

**The Parliamentary Under-Secretary of State, Department of Energy and Climate Change (Baroness Verma):** My Lords, the issue of competition and, in particular, the route to market for independent renewable generators has been referred to throughout the Bill's passage in this House and in the other place, and the debate has been equally eloquent and balanced today. There is good reason for that. I agree with noble Lords: independent renewable generators have a significant pipeline of projects across the UK and bring essential competition, innovation and diversity to the energy market.

The Government recognise that in recent years it has become harder for independent renewable generators to secure power purchase agreements on bankable terms. We judge that several of the factors currently constraining the market will be resolved by the introduction of CFDs, but some issues may continue to limit competition for long-term PPAs after CFDs have been introduced.

My officials have worked very closely with industry to prepare the market for the CFDs. We have already established industry working groups to develop PPA structures that will be fit for purpose for the new market arrangements and a code of practice for those participating in the PPA market. Those will help new entrants and smaller generators to navigate the process of negotiating and securing PPAs. However, the Government have decided that it is necessary to provide further confidence for developers and investors by tabling amendments to the existing powers in the Bill.

I am very pleased to hear a welcome from noble Lords from across the Committee for the amendments. They will enable the establishment of a power purchase agreement scheme which could provide generators with access to an off-taker of last resort. This mechanism would be similar to that outlined in my noble friend's Amendment 55AB. In the light of the Government's amendments, I hope to reassure my noble friend and other noble Lords that these issues are being addressed.

3 pm

Amendment 55AB is designed to address the issue of access to market by giving all CFD holders the right to a backstop power purchase agreement with an

electricity supplier on terms specified in regulations. The Government fully agree with the intention behind this amendment. However, the amendment differs from the government amendments in a number of key areas. First, it would place the Secretary of State under a duty to introduce the mechanism. We do not think that this is appropriate, since a full understanding of potential unintended consequences is needed before taking any decision to introduce any such mechanism, and the need for this may change over time. Secondly, the amendment explicitly states that every generator eligible for a CFD contract should also be eligible for a backstop PPA. This would include large nuclear, renewable and CCS generators, for whom this may not be appropriate.

Finally, the amendment requires the Secretary of State to have regard to,

“the desirability of ensuring that every ... generator who is a party to a CFD is able to borrow money commercially for its business purposes at reasonable cost and over a reasonable period”.

This is something that the Government should not do, as there are many factors other than a backstop PPA mechanism that have a more significant effect on whether generators have access to debt at reasonable rates and terms.

Amendment 55AC would oblige the Secretary of State to establish a green power auction market in the case that the backstop off-taker scheme proves ineffective. While we appreciate the GPAM proposals as a valuable contribution to the debate, we have considered very carefully the analysis of the impacts and decided that this would not, perhaps, be the best way forward. GPAM would effectively turn the CFD into a fixed feed-in tariff, which would isolate generators from normal market incentives. Noble Lords may recall that the CFD was chosen over a fixed feed-in tariff to retain market incentives. In other developed countries, such as Germany, with high levels of renewable generation, fixed feed-in tariffs have led to excessive costs to consumers, and such countries are increasingly moving to other mechanisms that retain market incentives. Furthermore, GPAM would be a fundamental distortion of the purpose of CFDs and is not guaranteed to be bankable. Indeed, lenders have indicated that GPAM would itself require an off-taker of last resort mechanism to protect against the possibility of a generator's power not selling in the auction, or the auction not taking place.

As my right honourable friend in the other place, Greg Barker, stated,

“we have to be careful, despite having all the right motives, not to create an expensive, long-term solution to what might turn out to be a short-term problem”.—[*Official Report*, Commons, 4/6/2013; col. 1452.]

I welcome the intention behind the Amendment 55AE proposed by the noble Viscount, Lord Hanworth. It requires the Secretary of State to ensure that independent electricity generators, employing renewable technologies, have a route to market. I have already set out the range of work under way to support independent generators and hope that this, in addition to the Government's own amendments, satisfies the noble Viscount's concerns and that he will not press his amendment.

Amendments 55AFA and 55AFB amend the Government's amendments. I hope that this is a sign that the noble Viscount sees merit in our proposals. Amendment 55AFA would ensure that electricity generators are eligible for PPAs under the scheme for the duration of their CFDs. While I am sympathetic towards its intention, we have to be careful not to constrain our options at such an early stage. For example, it may be that access to PPAs under the scheme is not appropriate during the first few years of a generator's CFD, when the risks and level of uncertainty is lower. We plan on consulting on the design of the off-taker of last resort later in the year. I reassure the noble Viscount that the duration of support will be considered as part of this process. Amendment 55AFB would enable the terms of the PPAs under the scheme to be made by reference to current market prices. This would undermine the effectiveness of the scheme which depends on generators knowing the backstop price at the onset of the CFD.

I am grateful to my noble friend Lord Roper for tabling Amendment 55AGA, which would amend the Government's amendment to make power purchase agreement scheme regulations subject to the affirmative procedure. The Government are committed to ensuring appropriate parliamentary scrutiny of any secondary legislation made under this chapter, so will give this amendment careful consideration. On that basis, I hope that my noble friend will withdraw his amendment in due course.

I turn to government Amendments 55AF, 55AG, 55AH, 55AJ and 55AM, which I hope noble Lords will welcome. These amendments clarify and supplement the existing powers in this chapter by enabling the establishment of a power purchase agreement scheme. Under such a scheme, licensed electricity suppliers would be required to offer to enter into PPAs with eligible generators on specified terms and through a specified process. The amendments would also enable the costs or benefits of the scheme to be apportioned among suppliers, and functions to be conferred on the Secretary of State or Ofgem.

These powers would enable the Secretary of State to create an off-taker of last resort mechanism. This would guarantee generators access to backstop PPAs on specified terms, thereby giving them confidence over the minimum price they will receive for their power. To ensure that the mechanism is truly a last resort, the terms offered must be significantly lower than those expected in a well-functioning market.

The socialisation of the costs or benefits of the scheme across suppliers would ensure that any effect on the PPA market is minimised. To ensure that the mechanism operates fairly and efficiently, Ofgem would be responsible for administering the scheme, including overseeing allocation of generators to suppliers. These protections will ensure that the mechanism does not interfere with the normal PPA market and would be called upon only in the event of a clear market failure.

We consider that such a mechanism, by contrast to the GPAM, offers a simpler solution that will provide better value for money. It does not require significant intervention in the market, as the GPAM would, and it will reduce costs to consumers because it retains

[BARONESS VERMA]

normal market incentives on generators. This mechanism should make lenders more comfortable financing projects that use a greater variety of routes to market, including a more diverse range of PPA counterparties and shorter-term PPAs. This will lead to greater competition in the PPA market, potentially reducing the costs that independent generators face in accessing the market and reducing costs to consumers.

Initial reaction from stakeholders has been broadly positive. However, I accept that there is much more work to be done to turn these initial proposals into a fully functioning mechanism. The Government will work with stakeholders to develop detailed proposals over the next few months, and plan to consult on options later this year. Before I conclude, I would like to—

**Lord Kerr of Kinlochard:** Before the noble Baroness sits down, will she explain again why she rejected Amendment 55AFB in the name of the noble Viscount, Lord Hanworth, which would have inserted in government Amendment 55AF a reference to current market prices? I find my entry in the Register of Interests extremely misleading because it should imply competence to deal with this Bill, whereas I find it extremely hard to penetrate. However, I would have thought that over time the PPA must bear some relation to market prices. It cannot be set for all time, surely. The Minister seemed to be saying that it was important to give the certainty of a fixed price. That would mean a variable degree of subsidy, depending on what was happening to the actual price in the market.

I also have some difficulty with Amendment 55AB, introduced so impressively by the noble Lord, Lord Roper. I find it difficult to get away completely from the idea of efficiency being a criterion as well as independence. All the emphasis on the ability to borrow in the markets or from the banks and thus to have the certainty of a demonstrably viable price seems to take us far away from the market and questions of efficiency, although I am all for encouraging independent generators. However, the Minister's rejection of Amendment 55AFB really puzzles me. Surely there must be some relationship with current prices in the market.

**Baroness Verma:** My Lords, I will respond to the noble Lord, Lord Kerr, on Amendment 55AFB in a moment but, first, I will reply to some of the other questions that have been posed.

I reassure noble Lords that we have had a reasonably positive response to our amendment from stakeholders, including RUK, RES and the Renewable Energy Association, although I recognise that there is a lot more work to be done. We will be working very hard with the industry and other stakeholders to make sure that we have a bankable solution. The noble Baroness, Lady Liddell, asked what I would be doing during the summer, and this will be one of my tasks.

My noble friend Lord Deben was absolutely right when he said that we need to be absolutely sure that we are able to explain our intent clearly. I hope that I will be able to reassure him that I will continue to work before Report to ensure that our proposals are understandable and available to the market. Like all

noble Lords, I feel that this is an incredibly complex and complicated area, so it is absolutely right that we are able to explain ourselves very clearly.

All noble Lords said that it has taken us a long time to get to where we are. However, it is a complex issue. We launched a call for evidence last July regarding the introduction of backstop powers in the Bill in November, and we have brought forward amendments. We want to work very closely with the industry to develop further proposals and we will be consulting in the autumn. However, in all this we need to make sure that the independent operators feel that they have a large stakeholding and that they are being responded to.

The noble Lord, Lord Cameron, asked why we do not keep GPAM in reserve as the NFPA already exists and has proven to work. The NFPA is not suitable for GPAM. The nature and scale of projects under GPAM are very different and would need a very different type of action, so there would not be a natural transfer across.

In response to the intervention of the noble Lord, Lord Kerr, concerning Amendment 55AFB, the PPA price would be set at a fixed discount to the market price, but the discount itself would not be set by reference to the current market. Does that make sense?

**Lord Kerr of Kinlochard:** Yes, it does—I think.

**Baroness Verma:** Did it not make sense? Perhaps I will get a little more inspiration while I finish reading my notes.

The noble Baroness asked whether Ofgem or some other body would keep the market under review. Yes, Ofgem will use existing powers to review it so as to make sure that it is working.

Finally, the noble Baroness, Lady Worthington, referred to the green growth figures. We are really pleased to see that they are growing, given the drop-off in the economy. I know that she and I and other noble Lords agree that we need to trumpet it at every opportunity. I hope that I do, because I think it is absolutely excellent news and one of the core strands of the department is the green growth agenda, which we are trying to build on. There are 1 million plus jobs supported by the green economy. That is on a par with financial services, and we have enormous scope to develop that. I very much agree with the noble Baroness, Lady Worthington, on that.

3.15 pm

I have not seen any further inspiration coming forward. If I have not answered the noble Lord, Lord Kerr, fully, I might be able to now. The discount needs to be fixed at the outset of the CFD and should not reflect discounts in the market at the time. If that makes it clear to noble Lords, that is fine; otherwise, I will read *Hansard* very carefully to make sure that if the question still arises, I will write to noble Lords.

**Baroness Worthington:** It is probably a question of our understanding more clearly how the price setting might be derived. Under government Amendment 55AF, two processes are set out in sub-section (6). One is a process involving a determination and the other is by an auction or competitive process. I think that the

noble Viscount was simply asking to insert a reference to current market prices. Perhaps a letter clarifying new subsection (6) would be helpful to everyone.

The government amendment removes some of the flexibility currently in the Bill by providing under Clause 44 that the backstop PPA is the only policy, whereas before it was broader. I reiterate the comment that, given that this is a moving piece, it might be sensible to retain a little flexibility.

**Baroness Verma:** I thank the noble Baroness for that. I recognise the concerns that noble Lords have rightly shown. We are keen to see greater competition and choice in the market. As I said, through the summer we will be looking at those issues in much more detail and working with stakeholders.

Further to that, I hope that my explanations have been persuasive enough for noble Lords not to press their amendments and to support the government amendments.

**Lord Roper:** My Lords, I am very grateful to all those who have taken part in what I believe has been a useful and constructive debate. There are three things on which we all agree. First, we all agree that it is difficult to find an effective system to achieve something which we believe should be achieved. Secondly, we are grateful that the Government have moved and produced the set of amendments which they tabled last week on the backstop PPAs, even if we find them somewhat difficult to understand in their detail. Thirdly, we agree that there is still much to be done to get a workable and straightforward system.

Although the noble Baroness, Lady Liddell, is, alas, not with us at the moment, I reinforce what she said about the importance of having a clear position on the road to market set out to reassure the independent generators and enable them to get access to the capital which is clearly essential if we are to have continued growth. We will probably continue to disagree about “duty” or “power”, but we have already considered that in other places. The point that the noble Baroness and others have made is that whereas it may be necessary for it to be here now, there may be a time when it will not be necessary and that duty may be a somewhat unsatisfactory constraint on the Secretary of State.

My own preference, if it can be worked out satisfactorily, is that the backstop PPA probably has advantages over the GPAM. However, because we are not certain that one will be able to develop a satisfactory backstop PPA, the proposal in the amendment in my name and that of my noble friend and others is probably advantageous because it gives us a reserve power.

On two of the other points raised by the Minister as to whether GPAM would require a backstop, there are obviously different views. The independent generators’ bankers tell them that it is necessary for the GPAM to be in existence for the whole period of the CFD rather than having a backstop. However, that is a matter on which there is more than one view and it will need to be considered.

I will need to be sure—we do not have time today—that the example given by the noble Lord, Lord Cameron, of the existing role of the NFPA and the possibility of

it being developed into a GPAM did not have rather more to it than was suggested by my noble friend the Minister in her reply.

I am grateful for what the Minister said about Amendment 55AGA and I am glad that the Government will look at it with care between now and Report.

I hope that by the time we come to Report we will have a clearer picture of what is likely to be on offer. It is therefore my pleasure to withdraw my amendment at this stage but I fear that we may find ourselves debating this matter at some length later in the year.

*Amendment 55AB withdrawn.*

*Amendment 55AC not moved.*

### ***Clause 15 : Regulations: further provision***

#### *Amendment 55ACA*

*Moved by Lord Roper*

**55ACA:** Clause 15, page 11, line 7, at end insert—

“(d) conferring on the Secretary of State further powers to require operators of generating stations which use woody biomass fuel to provide a fuel supply strategy for approval by Ministers.”

**Lord Roper:** My Lords, in the absence of my noble friend Lord Jenkin, I shall move the amendment on his behalf.

My noble friend tabled this amendment earlier this month after discussions with the Wood Panel Industries Federation about the impact of the purchase of biomass upon the supplies of UK-grown softwoods and the viability of the UK-based wood processing companies which make materials such as MDF, chipboard and oriented strand board. Their worry arises because the current subsidies to wood-burning power plants make it increasingly difficult for member firms to compete for supplies. There are no subsidies available for them. They cannot afford to import supplies as it is uneconomic to transport saw wood because of its high water content and they are finding it increasingly difficult to compete. If this industry is driven out of business by the competition from biomass power stations it will be, in their view, difficult to ever revive. They see themselves as having far less influence than the major energy firms in their representations to government.

Interestingly, in Scotland the devolved Government have introduced a cap on support for dedicated biomass plans above 15 megawatts and have used planning restraints to restrict domestic wood use. If energy generators in England were required to provide a domestic fuel sourcing plan for approval by Ministers, this would give a far stronger reassurance than is conferred by any voluntary statement of sourcing intent. That is what the amendment of my noble friend Lord Jenkin is intended to secure. I beg to move.

**Lord Deben:** My Lords, I think it is valuable that my noble friends Lord Jenkin and Lord Roper have put this amendment forward. Although I do not support its content, it is an important subject to have raised

[LORD DEBEN]

briefly in this Committee. One difficulty that we have to face is that the way that renewable materials are considered alters very quickly. There was a time when people talked about biomass as though it was the solution to everything. They hardly ever spoke about biomass without saying how wonderful it was. Then we saw the pendulum swing to the other end and no sort of biomass was acceptable to anyone. There was always some good reason why it was not acceptable. In rather a long life, I have usually found that neither of those two positions is a good place for the pendulum, although somewhere in the middle is.

However, there is a central issue which goes beyond biomass. It is illustrated by a circumstance in my own county of Suffolk, where the local council has just turned down a request to build a waste-to-energy installation using straw. The argument against it was not an environmental one. It was a genuine argument about whether it and other straw-burning waste-to-energy installations would have such an appetite for straw locally that the price for straw would increase because of the subsidy structure. The other uses of straw in the area, which were very significant and led to opposition to the installation from pig farmers and others, meant that the planning committee had to say that it did not see that this was the right answer. I am not at all sure that that was the planning reason that it gave, because planning is a rather complex matter, but that was certainly what the argument was about.

I hope that this Committee, the Standing Committee and our future discussions in your Lordships' House can lead the charge for having sensible discussions about environmental matters and not arguments between those who believe in things and those who do not. Very often, the decision and the choice come somewhere between the two, and this issue illustrates that very well. It is perfectly possible to be an enthusiastic environmentalist determined to combat climate change but to say that a particular straw-burning installation in a particular place is not the answer. The same applies to biomass. However, that does not mean that you are taking a nimby attitude. I am not talking about people objecting to something because it is near to them; I am talking about having more serious discussions about individual issues than is often allowed simply because the two sides clash and the space in between is not available for intelligent debate.

On this matter, it is important that two things are taken into account. First, how does the subsidy—that is what it is—affect other industries; and are there circumstances in which we should look at that carefully? Secondly, how do we make sure that the subsidy is in support of biomass which is properly sourced? I do not want this particular solution although there is a bit that appeals to me: we should make sure that people do not use biomass that has a bigger carbon footprint than what it is replacing.

As chairman of the Committee on Climate Change, I recently received a delegation from America, which is exporting a lot of pellets into this country. I found the discussion rather embarrassing because, when I said to the people concerned, "Tell me, is this certified?", they said, "Yes". I asked, "By whom?", and they

replied "By us". I said that I thought that certification ought to be a little more arm's length than that. They claimed that all this stuff came from certified forests but I think that there is now some pretty good international measurement that enables one to decide whether "certified" means "certified" or whether it means, "This is a label that we like putting on it because, if we don't, nobody will buy it", which seemed to me closer to what they were actually saying.

It is important that we should raise this issue, both for the specifics of the amendment and to say to my noble friend that this is an area—I know that she understands this—where we are all concerned not to restrict biomass in such a way as to lose the real advantages, but not to extend it so that it becomes a front for a worse attitude towards the environment than that represented by the fuels it replaces.

3.30 pm

**Lord Whitty:** My Lords, the noble Lords, Lord Jenkin and Lord Roper, have raised an interesting point. I was going to support the amendment, at least in principle, but for rather wider reasons than those that the noble Lord, Lord Roper, advanced or, indeed, some of the points that the noble Lord, Lord Deben, made. The arguments are sometimes between one group of environmentalists and another and they are sometimes between one vested interest and another. We have been through the same cycle or swing on liquid biofuels. I am not sure where the pendulum will end up on that—there has been a significant intervention, which I was partly involved with in my previous capacity in government.

This is a difficult issue. The amendment asks the Secretary of State, first, to look at it carefully and, secondly, to ensure that the users of biomass as a feedstock have obligations to consider the nature of the supply chain and how far it saves carbon. Even in the best of circumstances, biomass in the broadest sense—it covers a multitude of very different forms of feedstock, from food and farm waste to bespoke forestries that are grown for this purpose on the other side of the world—is, even conceptually, a rather long form of sustainability. You chop down one tree and another one grows, so that in 50 years' time you have replaced the first one. That is not necessarily the same as some forms of feedstock where the carbon content is low or nil immediately. With biomass, there is a carbon emission. It is therefore important that, in this whole approach, we look at what form of biomass we are using, where it has been sourced from and what it displaces—I had not thought of the softwood argument or the straw argument, although I seem vaguely to remember a similar case not so long ago.

As for displacement on a global scale, I was also thinking about growing bespoke crops in ground that would otherwise be for food, whether in the third world or whether sugar beet, for example, in the UK. It is a big question. At the moment, there is no requirement either on the Government or the regulators and counterparties to look at that aspect. There is also no obligation on the generator proposing a biomass project to look at these issues. The amendment at least gets us into that important discussion.

On some of the figures that the Government have produced—I am not quite sure in which context—we have looked at the early, phase 1 proposals for green energy, of which there is in total 18 gigawatts. Some 5.3 gigawatts comes from six projects for biomass conversions—from fossil fuels to biomass in part or in whole—and another 0.6 gigawatts comes from biomass CHP projects. Therefore, a third of what is currently being proposed upfront regarding all the technologies is biomass. It is much larger than onshore wind in this context, so this will be an important issue. Money is being invested in it and expectations are being raised as to how it will perform. Therefore, what appears to be a simple and modest amendment in the names of the noble Lords, Lord Jenkin and Lord Roper, opens up a wide field. We will not resolve this issue today and we may not even resolve it in the course of the Bill. However, the department, those who enforce the regulations and those who propose biomass projects will have to explain in rather more detail how they are sourcing this, what the effects of sourcing it will be and what the effect on carbon emissions will be. If something like this amendment were accepted by the Government, we would at least get into that discussion. I do not suppose that the Minister will accept the amendment, but it would be helpful if she would at least indicate that the department needs to take another look at this.

**The Earl of Caithness:** The more we look into this subject, the more complicated it gets. We should take seriously the points raised by the noble Lord, Lord Whitty. He mentioned converting land that is suitable for food crops to other uses. We know that in Brazil maize and corn are being used as fuel for cars. I wrote to Drax when I noted that it was converting three of its stations to biofuel production. Sub-Committee D was looking at energy at the time. The staff at Drax were very bullish and said, “This is a wonderful thing. It is all being grown overseas. It is all reputable and is being monitored very carefully. It will all come over in ships and everybody is going to be very happy”. Another point which has not been mentioned is that the amendment refers to “woody biomass” and if you take land out of agricultural production and convert it to timber production, that is a long-term and expensive operation. My noble friend Lord Deben mentioned straw, which is an annual crop but, as regards the sort of material that we are talking about, you are talking of a crop that could well be harvested in 40 to 60 years’ time. Intervening in such a market leads to complications. I am very glad that I am not the Minister who has to deal with this issue as it would cause me all sorts of nightmares, which just shows how very difficult this whole area is.

**Baroness Maddock:** My Lords, my arrival here was opportune, I think. Every day I look at the headlines in newspapers in the north-east. Today, one of them informs me that the Government have given the green light to a £250 million biomass power station at Blyth. I would be interested to know what criteria were used to decide whether this should go ahead, although I do not expect my noble friend to be able to tell me that now.

**Lord Cameron of Dillington:** I am sorry to add to the worries. I had not intended to intervene but it seems to me that, in spite of what the noble Lord, Lord Deben says, there is the possibility of unfair competition arising, particularly as regards timber used for building, and a subsequent increase in the cost of building houses, which is something I do not want to see. There is also the possibility of a higher carbon footprint arising from timber being sourced from the wrong place and in the wrong way, as several noble Lords have mentioned. The Government need to keep an eye on this. Therefore, there should be a mechanism to enable them to do so.

**Baroness Verma:** My Lords, I am extremely grateful to my noble friends Lord Jenkin and Lord Roper for tabling this amendment. It would give the Secretary of State further powers to require operators of electricity generating stations that use wood as a form of renewable energy to provide fuel strategies to the Secretary of State for review and approval, covering, for example, the quantity and country of origin of wood to be used.

I am grateful to noble Lords who have raised serious concerns. I appreciate the intention behind my noble friends’ amendment, which is to increase the control the Government have over the amount and kind of woody biomass which is used for electricity generation, and thus to minimise the potential impacts on non-energy sectors which use wood such as the wood processing and wood panel sectors. Indeed, it is a stated aim of the Government’s bioenergy strategy that support for bioenergy, including support for power generation from woody biomass, should consider the consequences of policy interventions on the wider energy system and economy, including non-energy industries. It is the Government’s view that where this and the other aims listed in the bioenergy strategy are met, bioenergy can make a significant contribution to meeting our renewable energy, energy security and emissions reduction needs at low cost. Bioenergy also has the benefit of being dispatchable, so can operate when required.

However, we are aware of concerns raised by several UK industries regarding the impact of biomass electricity on UK wood prices and have taken a number of measures to address this. Last year we took the decision to ask all large-scale electricity generators using woody biomass to disclose to us, on a voluntary basis, the amount of UK wood that they estimate they will procure and use over the next five years. We require this information to be signed off by the company’s board. We are pleased to say that all the operators responded to our request and provided this information, which the department has aggregated and will publish shortly. We will write to the electricity companies again this year with the intention to make the fuel disclosure a yearly practice.

Generating stations operating under the renewables obligation are also required to provide annual sustainability reports on biomass use. This includes the information held by the operator on the tonnages and types of biomass used—for example, whether that be woodchip, sawdust or energy crops—and whether the fuel came from a source which complied with an environmental standard. Ofgem publishes this data each year, and DECC will publish aggregated data.

**Lord Deben:** I assure my noble friend that the industry realises how strong the powers are. That was the reason for the visit of those Americans, who did not like those powers. Also, the Committee would want her to know that we have all experienced businesses who claim that they are in trouble from some government action when in fact there is an entirely different reason. I remember the oleochemical industry made a great deal of fuss about government environmental standards when in fact it had every intention of moving abroad in any case and just wanted somebody to blame.

**Baroness Verma:** Of course, my noble friend is far more experienced in these matters than I and I am always open to learning from him.

These sources of data have confirmed the forecasts for UK wood use made in the renewables obligation banding review last year, which did not conclude that demand for UK wood for electricity generation would have significant detrimental impacts on other wood-using sectors. That was mainly because we estimate the vast majority of biomass for power to come from imports from countries such as the United States—to which my noble friend Lord Deben referred—which have larger forestry industries and whose companies are able to give power companies the long-term fuel contracts they need. Given the analysis undertaken for the bioenergy strategy and the renewables obligation banding review, and given the latest data we have on demand for wood for electricity, currently we do not see sufficient need to add the new regulatory burden proposed in this amendment on the electricity industry.

The amendment would introduce a new layer of complexity and potential for delay and uncertainty in developing both potential new generating stations and existing plants. It would also be likely to reduce investor certainty in the sector, introducing questions around disqualification from support under CFDs, should the Secretary of State not like a plant's proposed fuel strategy. Establishing the basis on which a plan is judged satisfactory would be complex and open to legal challenge. Furthermore, the voluntary approach that we have taken is a light-touch regulatory approach that has delivered to us the information we need. We have used this industry-wide data to help develop the sustainability criteria framework on which we have made the proposals. This includes strengthening further some of the reporting requirements.

With these actions, I hope noble Lords will see that the Government are taking this issue seriously and are keen to continue to work with the wood processing and other sectors to give them further confidence that non-energy sectors should not be significantly detrimentally impacted by energy policy.

The noble Baroness, Lady Maddock, asked about Blyth power station. Perhaps I may write to her and the Committee with the details.

I hope that my noble friend Lord Roper finds my explanation at least partly reassuring and on that basis will withdraw his amendment.

3.45 pm

**Lord Roper:** My Lords, I am grateful to all those who have taken part in this useful debate and to those

who widened it from the relatively limited topic in the amendment I moved on behalf of my noble friend Lord Jenkin.

I find a certain degree of reassurance in the Minister's remarks about the returns which are made on a voluntary basis and the publications on sustainability which are made on a regular basis by Ofgem. My noble friend Lord Jenkin will read the report of this debate in *Hansard* and will have to consider whether or not he wishes to return to this subject on Report. He may well be reassured by the Minister's remarks. Meanwhile, I beg leave to withdraw the amendment.

*Amendment 55ACA withdrawn.*

*Clause 15 agreed.*

*Clause 16 agreed.*

### *Clause 17 : Order for maximum cost and targets*

#### *Amendment 55ACB*

*Moved by Baroness Worthington*

**55ACB :** Clause 17, page 12, line 7, leave out subsection (4)

**Baroness Worthington:** My Lords, today the Committee started with a discussion around transitional arrangements for renewables because of the grouping of the amendments, but the part of the Bill we are still debating includes reference to the contracts for difference and the detailed ways in which they will work. Clause 17 is interesting in that it gives the Secretary of State a power to set by order both a maximum amount of money that can be spent on contracts for difference and also, under subsection (4), a provision to include targets.

I have spoken both at Second Reading and in Committee about my concern that we are potentially entering into a great politicisation of energy policy with this Bill. We are, for good reason, proposing to move towards a much more administratively complex and centrally controlled system for allocating funds to low-carbon projects. There are reasons for that and we support the broad principle. However, the Government have been quite clear that this is a temporary transitional arrangement and supporting documents have referred to the fact that this will ultimately transition to a competitive system where, through technology and blind auctions, CFDs will be allocated in an administrative way with far less central control. Given that that is where we are trying to get to, I am concerned that we should not unnecessarily constrain this transitional period by a system of micromanagement which we are unlikely to get right.

The deletion of subsection (4) would remove the power to make targets for the means by which electricity is to be generated—that means the type of electricity generation—and remove the risk of the scale of generating capacity being unduly split up. The definition of “eligible generators” will be set by order. I think that that is correct. I do not see why you would want to have specific targets by scale.

Thirdly—and this is potentially the most worrying aspect—the Secretary of State may wish to make targets by geographical location. I am not saying that

this is what would happen, but it is obvious that that holds the potential for a huge degree of politicisation of energy. If a Government are strong or weak in a particular region and wish to direct generating capacity into that area, for whatever reason, this would enable that to happen. We do not want to go back to the bad old days, whereby, to win a seat, you might want to boost a few jobs and put a power station there. That seems to be retrogressive. You could also lose your seat by doing that, it is true to say. It works both ways. However, I should be interested to hear the rationale from the Minister as to why geographic targets would be necessary. I am also nervous about undue micromanagement in terms of targets, sub-targets and sub-targets of sub-targets. We have had some experience of that already, with both the RHI and the FIT schemes having very targeted small allocations of pots of money to be spent on different types and scales of technology. Everyone with whom I speak in the industry is heartily sick of that, partly because it is almost inevitable that those targets will be wrong. The market finds the solutions according to its internal logic, and it is very difficult for civil servants to guess at that.

I am very nervous about the sub-division of the levy control framework into small, tight pockets of money where, if it is anything like the RHI and the FIT schemes, digressions will be introduced. If a certain type or scale of technology delivers, those digressions will hit and the market can be pulled away quite rapidly. We are seeing that with the solar feed-in tariffs at the moment. There is a great fear that, if the mid-size solar projects took off, they would immediately hit a digression and the market would disappear. Therefore, there is a very good reason to be nervous about micromanagement in this context.

Nor do I think that this measure can work in practice. The levy control framework is a seemingly fixed amount of money, but the levels of spend that will come through the CFD is not fixed, so you cannot estimate how much money will go to different projects until you know the difference between the reference price and the strike price, and that will come only with time. I am nervous about the levy control framework anyway, but I am even more nervous of one that is divided and sub-divided down into ever smaller pockets, because that will create a great deal of uncertainty in the market and has the potential to disadvantage rather than reward winners. Let us be honest—we want the market to uncover the most successful projects—the ones with the best chance of delivery. If, every time a sector or sub-division shows that it is being successful, it has its funding taken away or cut, that is not really a way to build an industry. That is why we have tabled the amendment. I admit that it is a probing amendment but this is a serious issue in relation to how CFDs will operate. I look forward to hearing the Minister's comments.

**Baroness Verma:** My Lords, I thank the noble Baroness for her amendment. It seeks to remove Clause 17(4), which sets out a list of those things for which the Secretary of State might wish to set targets and which National Grid should take into account when allocating CFDs.

The Government intend to use CFD strike prices as the principal mechanism for bringing forward sufficient quantities of low-carbon generation under their electricity market reforms. Draft strike prices have now been published in the draft EMR delivery plan. The Government have also taken powers within Clause 17 to help to give effect to our wider objectives in meeting our 2020 renewables target, delivering a diversified generation mix and bringing forward new and innovative technologies.

The intention of including this subsection was to reassure industry and others about the aims of this clause and to provide some examples of how they might be used through the provision of a non-exhaustive list. Any such targets would be outlined in the final EMR delivery plan later this year, or in subsequent annual updates. As part of that, the Government might wish to set the targets in relation to the means by which electricity is generated to facilitate the development of marine and tidal or carbon capture and storage technologies—technologies with the potential to play a significant part in the UK's generation mix in the longer term but which might otherwise be unable to compete on price with more mature technologies.

The Government have no current plans to set targets relating to the generating capacity of electricity generating stations. However, we might wish to do so in future if we believe that that is necessary to send a clear message to the supply chain to encourage investment in infrastructure supporting the delivery of a particular technology. The Government may wish to set geographic targets for a number of reasons. For example, we are considering whether renewables trading may be used to help to achieve our renewable and decarbonisation objectives, and setting geographical targets may support that.

It is important to make it clear that the Government do not intend to use that power to interfere with local planning decisions, and we have no current intention to use the power to restrict or require the allocation of CFDs in particular locations within or outside of the UK. We believe that the inclusion of the list within the clause promotes clarity and transparency, providing market participants and investors with additional information which helps them to make their investment decisions. Removal of the subsection may increase industry's perception of risk, as it would appear to widen the scope of the clause. Industry feedback has been positive about the fact that we have sought to give strong indications of how we might use the power in the Bill, although it recognises that this is a non-exhaustive list. The users we have described are understood by industry.

I recognise the concerns of the noble Baroness, Lady Worthington, but I hope that the reassurances that I have given her will persuade her to withdraw her amendment.

**Baroness Worthington:** My Lords, I thank the noble Baroness for her response, which gives a degree of reassurance, certainly on the geographical location. I wonder whether a tighter wording might have allayed fears. If it is indeed to do with whether locations are outside or inside the UK, that is very different from a broad definition of geographical location.

[BARONESS WORTHINGTON]

I still have concerns about the need for the targets. Will they be legally enshrined in secondary legislation? If so, that seems slightly too restrictive. Perhaps people in the industry at the moment are reassured, but in a year or two, when parts of the levy control framework have already been used up and certain subsectors are feeling that their targets are too low, that sentiment could quickly change. I am just thinking of the bids that we have already had for the investment contracts. We already have a number of biomass conversions and a large number of offshore and onshore wind projects. What happens if more projects come later down the track when those bits of the targets have been used up?

I am just trying to think through how this will work in practice. I know that it is only a power that is being taken and that the Government may not necessarily use it, but I urge against too much micromanagement and too much setting of targets in secondary legislation. We may come to regret that; it may well push up the cost to consumers. The noble Baroness has spoken eloquently in favour of keeping costs low. The market will seek out the least-cost solution. I would be wary of too much intervention or of trying, as the noble Baroness mentioned, to support a particular supply chain or a particular technology. The more this comes naturally from the market, the more sustainable it will be. On that basis, I am happy to withdraw the amendment.

*Amendment 55ACB withdrawn.*

*Amendment 55AD not moved.*

*Clause 17 agreed.*

*Clauses 18 to 20 agreed.*

***Clause 43 : Power to modify licence conditions etc: market participation and liquidity***

*Amendment 55AE not moved.*

*Clause 43 agreed.*

4 pm

***Clause 44 : Power to modify licence conditions etc to facilitate investment in electricity generation***

*Amendment 55AF*

*Moved by Baroness Verma*

**55AF:** Clause 44, page 27, line 40, leave out from “by” to end of line 2 on page 28 and insert “means of a power purchase agreement scheme.

(3) For the purposes of this section and section (Power purchase agreement scheme: regulations)—

- (a) a power purchase agreement scheme is a scheme established by supply licence conditions and regulations under section (Power purchase agreement scheme: regulations) for promoting the availability to electricity generators of power purchase agreements, and
- (b) “power purchase agreement” means an arrangement under which a licensed supplier agrees to purchase electricity generated by an electricity generator.

For this purpose, “supply licence condition” means any condition, document or agreement of a kind mentioned in subsection (1).

(4) Provision that may be made under subsection (1) in relation to a power purchase agreement scheme includes provision—

- (a) as to the eligibility of an electricity generator to enter into a power purchase agreement under the scheme;
- (b) as to the terms of any power purchase agreement to be entered into under the scheme, including provision—
  - (i) for determining the price at which electricity is to be purchased under the agreement;
  - (ii) as to the duration of any such agreement;
- (c) as to the circumstances in which a licensed supplier is or may be required or permitted to enter, or offer to enter, into a power purchase agreement under the scheme;
- (d) for the provision of information in connection with the scheme.

(5) Provision within subsection (4)(c) includes provision for determining which licensed supplier or suppliers is or are to be required or permitted to enter, or offer to enter, into a power purchase agreement with an electricity generator in any particular case.

(6) Such provision may in particular include provision for the licensed supplier or suppliers in question to be determined—

- (a) by a process involving a determination or determinations by one or more of the following—
  - (i) the Secretary of State;
  - (ii) the Authority;
  - (iii) the electricity generator;
- (b) by auction or other competitive process;

and provision that may be made by virtue of paragraph includes provision as to the circumstances in which a licensed supplier is or may be required or permitted to participate in an auction or other process.

(7) For the purposes of this section and section (Power purchase agreement scheme: regulations), “licensed supplier” means the holder of a licence under section 6(1)(d) of EA 1989.”

*Amendments 55AFA and 55AFB (to Amendment 55AF) not moved.*

*Amendment 55AF agreed.*

*Clause 44, as amended, agreed.*

*Amendment 55AG*

*Moved by Baroness Verma*

**55AG:** After Clause 44, insert the following new Clause—  
“Power purchase agreement scheme: regulations

(1) The Secretary of State may by regulations make provision, in connection with any modifications made under section 44, for or in connection with a power purchase agreement scheme.

(2) Any such regulations may in particular—

- (a) make provision for apportioning amongst licensed suppliers, or any of them, all or any part of the value of any or all of the costs or benefits of any licensed supplier in connection with the scheme;
- (b) confer functions on the Secretary of State or the Authority (which may include provision for directions to be given to the Authority by the Secretary of State);
- (c) make provision for the delegation of functions conferred on the Secretary of State or the Authority by the regulations or by virtue of section 44;
- (d) include provision for obligations imposed by the regulations on licensed suppliers to be enforceable by the Authority as if they were relevant requirements on a regulated person for the purposes of section 25 of EA 1989;

(e) make provision about the provision of information in connection with the scheme.

(3) Provision that may be included in regulations under this section by virtue of subsection (2)(a) includes, in particular, provision—

- (a) for requiring licensed suppliers to pay a levy to the Authority at specified times;
- (b) specifying how such a levy is to be calculated;
- (c) conferring an entitlement on a licensed supplier to receive a payment from the Authority.

(4) Provision which may be included in regulations by virtue of subsection (3) includes provision for the Secretary of State or the Authority to determine what is to be taken into account as a cost or benefit of any licensed supplier in connection with the scheme and its value.

“(5) Regulations under this section may—

- (a) include incidental, supplementary and consequential provision;
- (b) make transitory or transitional provision or savings;
- (c) make different provision for different cases or circumstances or for different purposes;
- (d) make provision subject to exceptions.

(6) Before making any regulations under this section, the Secretary of State must consult—

- (a) licensed suppliers,
- (b) the Authority, and
- (c) such other persons as the Secretary of State considers it appropriate to consult.

(7) Subsection (6) may be satisfied by consultation before, as well as by consultation after, the passing of this Act.

(8) Regulations under this section must be made by statutory instrument.

(9) An instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

*Amendment 55AGA (to Amendment 55AG) not moved.*

*Amendment 55AG agreed.*

#### *Amendments 55AH and 55AJ*

*Moved by Baroness Verma*

**55AH:** After Clause 44, insert the following new Clause—

“Power purchase agreement scheme: disclosure of information  
In section 105 of the Utilities Act 2000 (general restrictions on disclosure of information)—

- (a) in subsection (1)(a), after “2010” insert “or section 44 or (Power purchase agreement scheme: regulations) of the Energy Act 2013”;
- (b) in subsection (3)(a), after “2010” insert “, sections 44 to (Power purchase agreement scheme: regulations) of the Energy Act 2013”.”

**55AJ:** After Clause 44, insert the following new Clause—

“Principal objective and general duties: power purchase agreement scheme

Sections 3A to 3D of EA 1989 (principal objective and general duties) apply in relation to functions of the Secretary of State or the Authority conferred by or by virtue of section or (Power purchase agreement scheme: regulations), or section so far as it relates to a power purchase agreement scheme, as they apply in relation to functions under Part 1 of that Act.”

*Amendments 55AH and 55AJ agreed.*

*Clause 45 agreed.*

#### **Clause 46 : Transition to certificate purchase scheme**

##### *Amendment 55AJA*

*Moved by Lord Whitty*

**55AJA:** Clause 46, page 28, line 19, at end insert—

“( ) Renewable Obligation Certificates (ROCs) will continue to be available to new and existing developments for 36 months following the introduction of regulations under section 6 of this Act.”

**Lord Whitty:** My Lords, we have jumped to the transitional arrangements for the move from ROCs to CFD. This is an incredibly complex clause about how that will happen. I have refrained from trying to alter the main parts of the clause because a lot of work has obviously been put into it. Effectively, those who have ROCs will at some point have them exchanged for fixed-price contracts, which may run until 2027. At that point, they will have to be sold back to the purchasing authority, which, in principle I suppose, is Ofgem, but could be the counterparty or the Secretary of State. Alternatively, they could be sold in the market and then sold back to the system. ROCs or their like-for-like replacements will be around for some time, but only those that apply to existing projects.

We spent some time discussing the dynamics of much of the renewables industry and how we have achieved growth rates and advancements; we were all complimentary about the dynamism of the sector. It is also true in many cases that the dynamism of the planning system, and of getting the supply chain and sometimes investors in place is not quite as nimble as that of the entrepreneurial skill being shown in the renewables sector itself. In the pipeline, therefore, are lots of projects whose economics and financing started by being based on the expectation for ROCs and whose investors have invested on the expectation of a ROCs system applying to them.

At some point, the Government have indicated that no new ROCs-based projects will operate beyond 2017. That, however, does not appear to be reflected in the legislation, as far as I can see—certainly not in the rather lengthy Clause 46. However, some projects whose calculations and return on investment will have been based on ROCs provisions will come on stream between now and 2017.

This amendment attempts to put into legislation the fact that there will be three years of overlap, with a ROCs system running in parallel with the new CFD system—or probably the investment contracts system and then the CFD system. I know that there is a horror in DECC about running different subsidy systems in parallel. I have never quite understood why the department has such an absolute objection to that, as some schemes are more appropriate under, say, feed-in tariffs than they are under ROCs and some will be more appropriate under the new regime.

The amendment simply attempts to say that there will have to be a period when projects that have been in the pipeline for some time on the basis of ROCs are still allowed to start on ROCs and to get into the system. That is all the amendment suggests and I think that it reflects what the Government have, in one sense, already said—that when the Bill comes into effect some time next year, there will be a three-year overlap period. However, we would like to see that in

[LORD WHITTY]

legislation. Some of these projects are now causing anxiety and hesitation because people do not know what will happen, and some investors are getting nervous and projects are being stalled as a result. Therefore, we would like to see that written in and we would like confirmation that that is indeed the Government's intention. I beg to move.

**Baroness Verma:** My Lords, I am most grateful to the noble Lord, Lord Whitty, for his amendment but I hope that in a few moments I will have convinced him sufficiently to withdraw it.

Amendment 55AJA would require the transition period, when new renewable generators will have a choice of scheme between the renewables obligation and the CFD, to last for a minimum of three years. Our long-standing intention is that the RO will be closed to new generation from 31 March 2017 and that the new support mechanism, CFDs, will be introduced next year. This will deliver the new mechanism well in advance of the closure date of the RO and provide a suitable transition period when investors can choose between either mechanism.

Our priority in providing this transition period and the choice between support schemes is to promote investor confidence and certainty, and to ensure that there is a smooth shift from the renewables obligation to contracts for difference. The amendment would require the RO to be kept open beyond the intended closure date of 31 March 2017. The design of the RO is based on the setting of an annual obligation, which determines RO expenditure for each financial year. This means that closing the RO at a random or uncertain point during a financial year is inadvisable. A minimum transition period, such as the noble Lord proposes, would in practice be likely to mean keeping the RO open to new entrants until 31 March 2018.

Such an extension would increase costs to consumers. More generators would be able to make use of the less efficient support that the RO provides for an additional year, rather than seek support under CFDs. This would undermine the overall transition to EMR and could have an impact on the UK's ability to meet our 2020 renewables target. Because the RO is a less efficient mechanism than CFDs, we would be able to afford less new renewable capacity in total, which I know is not the outcome that the noble Lord intends.

In addition, investors accredited after 31 March 2017 would get less than 20 years' support, as the RO final end date is 31 March 2037. Keeping the RO open after 31 March 2017 would mean that we would need to hold a further review of RO support levels for the period beyond that date. That would also have an impact on investor certainty, as it would take time before they knew what the RO support levels were after 31 March 2017.

However, I appreciate that the closure of the RO to new generation has been of concern to some investors. The Government have listened to those concerns and, as part of the RO transition consultation launched on 17 July, we confirmed that we will offer grace periods for those generators aiming to accredit under the RO before the closure date. Generators eligible for grace periods will be able to get RO support even if they do

not commission before 31 March 2017. We are consulting on the length of grace periods and on the eligibility criteria. The principles proposed in the consultation are that the eligibility criteria must be straightforward to prove and assess, and must be consistent with the intention to transition to CFDs. That will ensure that grace periods are available as needed to ensure investor confidence but do not involve an outright extension of the RO. To help investors we announced CFD strike prices ahead of schedule and published the draft delivery plan for consultation last week.

We remain committed to implementing EMR next year and providing a suitable transition period—currently over two and a half years. There has been six years' advance sight of the timing of the RO closure to new generation. We are consulting on grace periods to address any remaining concerns about the timing of closure. In contrast, setting a minimum term for the transition period within the Bill might have adverse effects that greatly damage investor confidence. I have listened carefully to the noble Lord and will read *Hansard* line by line to make sure that my explanation satisfies him. At this point, I hope he will withdraw his amendment.

**Lord Whitty:** My Lords, I thank the noble Baroness for that reply. It gives me some comfort but there are a number of uncertainties on both sides here in the sense that those behind some of these schemes thought that they would be commissioned at an earlier date than they will be, so their calculations are based on that earlier date. The Minister is clearly right to say that we had six years' sight of ROCs ending but we have not had six years' sight of what will replace them. Therefore, decisions were made on the ROCs system or something very like it operating until that point. I would not like to see a delay because of a planning appeal, or some other reason why the commissioning date slips, which might have a detrimental effect on some very good schemes in the pipeline that we would wish to encourage.

I am heartened by the noble Baroness's reference to grace periods. I will look at the consultation document more carefully. Although I knew it was issued last week or the week before, I was not clear that it would affect this so directly. That would give some comfort. I hesitate to mention it, but there is a possibility on the other side, namely that the introduction of CFDs, or the clarity of what the choice might be between ROCs and CFDs, might be delayed. An issue I have not mentioned since Second Reading must still slightly worry the Government: we have not cleared any of this through state aid. Were there to be a delay on that, a lot of the dates would have to slip whatever was written in legislation. While I was mainly concerned about delays in projects based on ROCs, there is the possibility of delay on the government side, which none of us want to see. That would also have consequences for the way we deal with those projects in the pipeline.

I got sufficient comfort from the Minister to withdraw the amendment at this stage but I put that slight warning light in our minds. We may well have to return to the more general subject on Report, by which time I hope the Government have something positive to say on it.

*Amendment 55AJA withdrawn.*

4.15 pm

*Amendment 55AK*

*Moved by Lord Stephen*

**55AK:** Clause 46, page 28, line 23, at end insert “for the purposes of replacing the arrangements in effect under a renewables obligation order, and shall exercise their powers in a manner that is best calculated to replicate the effect of such arrangements on the accreditation status and renewable obligation certificate banding provision of, and value derived from renewable obligation certificates by, accredited generating stations”

**Lord Stephen:** My Lords, in moving Amendment 55AK, I wish to speak also to Amendment 55AL, both of which stand in my name and that of the noble Baroness, Lady Worthington. In doing so, I refer to my entry in the Register of Interests.

This matter follows on from the discussion we have just had involving the noble Lord, Lord Whitty, who raised important issues to do with the transition from the renewables obligation to contracts for difference. It is not an understatement to say that there is huge concern in certain sections of the renewables industry about this issue. Those sections of the renewables industry are important as they will be relied on to deliver the very major increase in renewables generation that the Government are hoping to see by 2020, given the £110 billion of new investment and the huge increase in renewables capacity. For example, the latest renewables statistics talk about offshore renewables generation rising from 3 gigawatts today to 18 gigawatts in 2020. That is 15 gigawatts more in a difficult offshore environment. Taking early final investment decisions will be crucial to the construction and commissioning of that generation. The onshore figure of 6 gigawatts today, which is double that of offshore, rises to 13 gigawatts by 2020, which, again, is a very major increase.

One of the purposes of tabling these amendments is to help the Government to deliver their policy in this area given that they are clear that they want to deliver this increase in generation and want to provide certainty. Indeed, they have made helpful and supportive statements on these issues. Timing is very important here as regards secondary legislation. It was encouraging to hear the Minister talk about the consultation document that has just been published. However, that consultation will take time and then further time will be taken in making decisions. It is intended that these decisions will be implemented not through primary legislation but through secondary legislation. Because of that, and the uncertainty over the state aid issue, it will take some significant and powerful signals from the Government to ensure that the final investment decisions which are so crucial to achieving these targets are kept on track. That is the background to the matter. We must ensure that this transition from the renewables obligation to contracts for difference is as smooth as possible. I think many of us here would rather that it had all happened two, three or even more years ago so that it did not happen at exactly the same time as this huge growth in offshore renewables. However, we must make the best of the situation and do everything in our power to achieve these targets.

For projects accredited under the outgoing renewables obligation, there is uncertainty as to what will happen after 2027, when Ofgem will stop issuing ROCs. The

Government have said that projects will see a “grandfathered transition” to a fixed price regime through to 2037, when all ROCs will finish. However, it is uncertain from the Bill whether all projects will be eligible for the new fixed price instrument, and whether the value will be equivalent to standard ROC payments. This leaves uncertainty regarding the value of existing RO projects and threatens the investment decisions being made presently. It is critical to the investors to whom I have referred, who are making decisions now or soon, that the policy intention to provide grandfathering is reflected in the Bill rather than in secondary legislation. It would be interesting to hear the Minister’s views on this point, but it may be as long as two years before there is clarity and certainty if the secondary legislation route is adopted.

My amendments to Clause 46 therefore aim to create the certainty required in regard to the entitlement and the value of certificates. My first amendment would set within the Bill the Government’s policy aim to give generators certainty over the incentive they receive. It aims to ensure that when making a certificate purchase order, the Secretary of State is guided by the principle of equivalence between the regimes, thereby providing continuity and certainty to generators by replicating the accreditation status and the banding arrangements of the RO.

My second amendment would remove subsection (8) from proposed new Section 32V. You have to turn quite a few pages from the beginning of Clause 46, but you only need to start reading that subsection on page 40 to see why it might start to strike fear into the hearts of investors because it authorises the Secretary of State to,

“review the banding provision at such intervals as are specified in or determined in accordance with the order, and ... may authorise the Secretary of State to review the whole or any part of the banding provision at any time when the Secretary of State is satisfied that one or more of the specified conditions is satisfied”.

In other words, it gives wide discretion to the Secretary of State to change bandings and rates in a way which would make investors think of Spain rather than the United Kingdom. We want to remove that wording and find a way—the Government may have another way than the one I am suggesting today—of allowing investors to have confidence to do their internal rate of return calculations and to get clarity on the value they are creating by investing in projects over the next couple of years. That is it. It is as simple as that. It would risk current investment in technologies if developers were unable to have confidence that the rate of return and the rate of support they would get during the lifetime of the scheme could be relied upon.

These changes will ensure that we can continue to drive investment in renewables through the transition scheme to 2020, minimising any hiatus in investment before the contracts for difference regime is fully up and running. I beg to move.

**Baroness Worthington:** My Lords, I am grateful to the noble Lord, Lord Stephen, for tabling the amendments, to which I have added my name. We fully support them. As we have said previously, this Bill is a significant intervention and we need to ensure, where we can, a smooth transition from existing policies which have

[BARONESS WORTHINGTON]

served us relatively well as we make the move into an unknown system. The amendments of the noble Lord, Lord Stephen, are designed to achieve that.

In this context, it is imperative that we do not breach the trust of the industry and the investors who put their money into projects by misinterpreting the term “grandfathering”, which is a clearly understood phrase. It means that if you invest in good faith, there will not be regulatory interventions to change the fundamental tenets of that investment. Unfortunately, the provisions in this section stretch the definition of grandfathering to breaking point.

We particularly support Amendment 55AL. As has been eloquently expressed, the words in the subsection will certainly strike terror into the hearts of investors. They are far too broad and enable changes to the fundamental facts on which an investment was based. It will damage investor confidence not only in relation to that one narrow aspect but more globally. We are asking many investors, entrepreneurial companies and the existing market players to work with this new system. I think that it can work, but if we start on the basis of regulatory uncertainty and not recognising and respecting grandfathering, we will start off on a very poor foot indeed. I think that I am right to say, although it may not have been directly in this context, that I have heard arguments played back by Ministers that have said that we cannot introduce emissions performance standards on to existing coal plant, because that would damage investor confidence. It would mean that people saw us as an unreliable place to invest. This aspect is actually far riskier than that, and I hope that the Minister can give us words of encouragement in relation to these two amendments, which are essential to get us off on the right foot with the Bill.

**Lord Gardiner of Kimble:** My Lords, I thank my noble friend and the noble Baroness for tabling these amendments, and for an illuminating, positive and helpful debate. In Committee, we can help to fine tune a Bill. My noble friend mentioned helping the Government; our duty is to help the nation to get this right. Certainty, trust and the smooth passage of transitional arrangements are certainly key.

Amendment 55AK inserts a requirement for the fixed-price certificate scheme to replicate the arrangements under the renewables obligation. The amendment aims to ensure that the fixed-price certificate scheme will be based upon and replace the RO, which is indeed our intention. I can confirm for my noble friend Lord Stephen that those generators that would otherwise qualify to receive renewables obligation certificates in 2027 and beyond will instead qualify for fixed-price certificates.

Clause 46 already mirrors much of the primary legislation for the RO to ensure that we are able to replicate the effect of the RO, so far as is appropriate. The differences from the RO are a result of the different ways in which the schemes operate; for example, the fact that the price of certificates will be fixed means that this will no longer be a market-based scheme. Amendment 55AL removes the provisions for both regular and ad hoc reviews of support levels under the fixed-price certificate scheme. The Government do not

expect to make regular support-level changes under the fixed-price certificate scheme. However, I hope that noble Lords would accept that the Government must be able to respond to significant unexpected changes, such as major cost reductions or increases within a particular technology, so that we can deliver the generation we need for our renewables targets at value for money for consumers.

My noble friend mentioned secondary legislation. In the autumn of 2014, we intend to consult on the secondary legislation for the transition of the renewables obligation to a fixed-price certificate regime. We propose to bring forward this legislation in early 2015.

**Lord Teverson:** My noble friend said rightly that, clearly, any Government need to be able to reduce intervention rates, if technology costs go down—and that needs to happen in terms of consumer value and government expenditure. But in this situation, we are talking only about those projects that have already had investment. The technology is fixed at the time when the investment took place, so I do not completely follow that argument.

**Lord Gardiner of Kimble:** I wanted to put the caveat of the Government seeking to respond having the ability, potentially, to respond. I agree with my noble friend that we may not expect it to happen, but we need to have that ability. My noble friend also mentioned uncertainty about state aid. We are working with the European Commission to ensure that our policies are compliant with state aid rules; we are confident of delivering EMR in 2014, and are helping industry to make early investment decisions. That might have been useful to the noble Lord, Lord Whitty, in an earlier exchange.

These amendments deserve careful and further consideration, and I would certainly look with my noble friend the Minister to provide further information on these matters as the Bill progresses. I would also want to consider with my noble friend ways in which the purpose of Clause 46 could best be clarified and examine proportionate measures for reviewing support levels. It is on that basis that I very much hope my noble friend will be sufficiently encouraged. He and the noble Baroness are hitting some targets because this is an area on which the Government would like to reflect and consider further. On that basis, perhaps my noble friend will withdraw the amendment.

4.30 pm

**Lord Stephen:** I very much welcome the words of my noble friend at the end of his remarks. They were most encouraging and I am sure will be welcomed by the industry. I hope that what he said about retaining the discretion to make changes can be further clarified in due course because the way that he explained it, as my noble friend Lord Teverson pointed out, could continue the fear in the hearts of the industry.

Surely the discretion to change must be about new schemes or future projects—for example, changes to the feed-in tariff related to new schemes; changes to the renewables obligation going from one ROC to 0.9 ROC were about new projects that would be commissioned after a particular date. Just to be clear, we are talking here about projects that will have been

invested in, commissioned and generating before 2017. It must all happen before March 2017, unless such projects at the margin are eligible for the discretionary arrangements to which the noble Baroness referred.

That is the strong clarification that I would like to receive in terms of why this discretion is necessary. If I do not get that changed, I will continue to make the analogy with Spain, which was where the panic was created—and not just there but globally throughout the renewables sector. If any Government said, “We are committed to renewables but, by the way, this project that you invested in last year, where you committed funding and had bank commitments in place, is now going to be subject to a change in government support”, that is very bad news. If that were a possibility in terms of the grandfathering rights, they would not be grandfathering rights at all. It is as simple as that. However, on the basis of the strong reassurances that I received from the Minister at the end of his remarks, which I very much welcome, I am prepared to beg leave to withdraw the amendment.

*Amendment 55AK withdrawn.*

*Amendment 55AKA had been withdrawn from the Marshalled List.*

#### *Amendment 55AKB*

*Moved by Lord Whitty*

**55AKB:** Clause 46, page 33, line 43, leave out “a” and insert “the”

**Lord Whitty:** My Lords, this is probably the most straightforward amendment that I have ever produced; however, it has vast repercussions for the whole Bill. For those noble Lords who have not read it, it seeks to replace “a” with “the”, in reference to the counterparty, certainly in the section that deals with CFDs.

I have made reference to this at various points in our proceedings; we have not really smoked out from the Government how they see the counterparty operating and what sort of counterparty they have in mind. They have said that there will be a single counterparty private organisation backed by the Government. That is not what is stated in the legislation. The amendment would be a bit late in the sense that there is still provision in Clauses 8 and 9 for the Secretary of State contemporaneously to designate more than one counterparty. I understand the Government’s position in relation to CFDs—there is a separate provision that we will consider on Monday in relation to investment contracts—to be that at any given time only one counterparty should be designated by the Secretary of State.

It is hoped that that counterparty would last some considerable time and that even redesignation, or taking designation away, would be rare, but you need those reserve powers. However, you do not need the reserve powers to have more than one counterparty running at the same time. Indeed, I never quite understood why anybody thought that that would be sensible. The structure is difficult enough already. There is a regulator, a counterparty and a systems operator, and then there is the Secretary of State and all the regulations that are directly down to the department. To crowd it out with several counterparties engaged in different contractual

relationships, probably with the same company, always seemed to me fairly daft. Therefore, I hope that before we finish with the Bill the Government themselves will delete those provisions that allow more than one counterparty to be designated.

Because there is constant reference to counterparties all through this clause and the reference is always to “a counterparty”, that keeps open the possibility of there being more than one. If we said “the counterparty”, I would be much happier, although it would require quite a lot of reprinting of the Bill. I started to try to change it in several different places but I gave up at three o’clock in the morning, so I have tried it out in two places here.

There is a serious point behind this. Clarity and simplicity is needed here. It occurred to me earlier that there could be a very specific reason for this wording, in that there would need to be a separate counterparty in Northern Ireland. There will be a separate counterparty for investment contracts but, as I said, that is dealt with in the next section. However, if there were a general expectation that the possibility of having more than one counterparty in this field at any given time was what the Government wanted to keep open, I would be very alarmed, and I do not think that I would be alone in that.

These amendments are intended to give the Government the opportunity—either now or when producing a more detailed document on the nature of the counterparty as now envisaged, which we can study in detail over the summer—to set out what their intentions really are. I beg to move.

**Baroness Verma:** My Lords, I thank the noble Lord, Lord Whitty, for these amendments and I hope that I shall be able to allay his concerns. I am aware that the ability to have more than one counterparty previously caused concern in the other place. The ability to have more than one counterparty is only to facilitate a transfer from one counterparty to another in the unlikely event that this is necessary. We sought to provide reassurance on this with amendments at Report in the other place and I hope to further reassure the noble Lord today.

There can be only one counterparty to a CFD contract. A generator will always know who is on the other end of its contract. Under this Bill, there cannot be a return to the original multiparty model that raised significant concerns among the industry and in the Energy and Climate Change Select Committee in pre-legislative scrutiny. The CFD counterparty was introduced specifically to address those concerns.

However, in the unlikely event that the CFD counterparty fails or withdraws its consent, we must ensure a smooth transition from one counterparty to another to make sure that generators can continue to get paid under their contracts and that the contracts can continue to be allocated. To meet any concerns that the policy intention here is unclear, the Bill was amended in the other place so that the ability to designate more than one counterparty can be used only where it is necessary, broadly speaking, for the purposes of ensuring that payments continue to flow or that contracts continue to be allocated. These limited circumstances are set out in Clause 7(5).

[BARONESS VERMA]

I hope that the noble Lord understands the reasoning—that is, of there being a counterparty in case one fails—and that he feels able to withdraw his amendment.

**Lord Whitty:** My Lords, I thank the Minister for that explanation. I had sidelined Clause 7—I think I referred to Clause 8 just now, but it is Clause 7. That does not seem sufficiently to cover the case of a counterparty body having failed but still having obligations and commitments which need to continue. There are many situations in administration where a designation ceases and is given to somebody else. It is a fairly narrow requirement to say that the counterparty, or whatever body is involved, shall continue to meet all its obligations. There will be a contractual obligation

for it to do so anyway. I ask the Government to look again at whether Clause 7(5) is indeed tight enough to avoid the implication that there might be more than one counterparty.

I am happy to leave it at that. I will probably return to this issue in relation to the potentially different counterparty for the period when we have investment contracts, but we can discuss that later. Subject to that, I beg leave to withdraw the amendment.

*Amendment 55AKB withdrawn.*

*Amendments 55AKC and 55AL not moved.*

*Clause 46 agreed.*

*Committee adjourned at 4.41 pm.*

# Written Statements

Thursday 25 July 2013

## Local Government: Finance

*Statement*

### **The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Hanham):**

To help tackle the deficit left by the last Administration, in the recent Spending Round, the Coalition Government set out a saving of 2.3 per cent for 2015-16 in overall local government spending, including funding from central government, business rates and council tax income. This change is balanced with a progressive package of measures which create a real opportunity to transform local services and help deliver better outcomes for less. The package includes:

- A £3.8 billion pool of funding for integrated health and social care. This will help to ensure that service levels in the care and support system can be protected and to enable you to invest in prevention and early intervention;
- A new fund of £330 million for transforming services. This will comprise a £200 million extension of the Troubled Families programme to support another 400,000 families, £100 million to enable efficiencies in service delivery, and a £30 million revenue fund plus a £45 million capital fund to drive transformational change in the Fire and Rescue Service;
- A joint programme with the Department for Education on reviewing pressures in children's services;
- Flexibility to use capital receipts from asset sales to fund one-off revenue costs of reforming services; and
- Support for two further council tax freezes in 2014-15 and 2015-16, to complement the existing three year freeze which has helped cut council tax in real terms by almost 10 per cent.

We have already introduced, in April 2013, a new business rates retention scheme for local authorities in England, which gives councils, for the first time, a strong financial incentive to promote local business growth whilst ensuring that they have adequate resources to provide services to local people. By enabling local authorities to retain a proportion of locally collected business rates to help fund the services they provide, we have created a direct link between business rates collected and local authority income, reducing local authorities' dependency on central government grants.

*Technical consultation on the Local Government Finance settlement*

Within this context, my Department is today publishing a consultation document setting out proposals for a number of technical changes that will apply to the Local Government Finance settlements for 2014-15 and 2015-16. It principally sets out approaches to holdbacks in 2014-15 and 2015-16 required for the rates retention safety net, and, in 2014-15, for achieving the 1 per cent saving in local authority funding announced

at Budget 2013. It also sets out how we propose in 2015-16 to achieve the changes in last month's Spending Round through scaling back elements within Revenue Support Grant at differential rates.

Later this year, we will put forward our proposals for local government funding for 2014-15 and 2015-16 to the usual Local Government Finance Settlement timetable.

*Technical consultation on the New Homes Bonus*

We are today also beginning a separate technical consultation on the New Homes Bonus. As announced in "Investing in Britain's Future", we are considering that in 2015-16 an amount from the New Homes Bonus will be pooled within Local Enterprise Partnership areas to support strategic, locally-led housing and economic development priorities. Pooling complements the duty to cooperate and the abolition of the top-down Regional Strategies introduced through the Localism Act. In particular, we hope it will encourage local authorities to work together on new developments which might cross council boundaries, and to help unlock the provision of cross-local authority infrastructure.

*Consultation on the use of capital receipts*

We have also published a consultation document on proposals for the use of capital receipts from asset sales to invest in reforming services. This follows the announcement in "Investing in Britain's Future" that we would be consulting on these flexibilities. The consultation aims to gather opinion on the proposal to allow capital receipts from new asset sales to be used for one-off revenue purposes to stimulate organisational change. We want to assess whether this proposal is a realistic option to enable local government to reconfigure their service areas, to bring down their ongoing revenue costs and to deliver improved services.

At the same time, a guidance note on the Policy and Procedure for Capitalisation in 2013-14 will also be published, setting out the timetable and procedure for local authorities wishing to apply for capitalisation directions in 2013-14.

*Publication of a revised Business Rates Retention Pooling Prospectus*

A revised Business Rates Retention Pooling Prospectus is also being made available. This updates and replaces the existing Prospectus and provides a timetable for the 2014-15 process.

*Consultation on property owners in Business Improvement Districts*

We have now launched a consultation on how the role of property owners can be formalised in Business Improvement Districts. We recognise that the role of landlords is crucial to the future success of our town centres and the consultation seeks views on a framework for allowing such schemes.

*Summary of responses to consultation on rents for high income social tenants*

We are also today publishing a summary of responses to our consultation on proposals to charge higher rents to social tenant households with high incomes. We wish to ensure best use is made of social housing, and that tenants with high incomes, who can afford to pay a fairer level of rent, do so. We intend to take steps

towards removing the regulatory controls preventing private registered providers charging market rents to social tenant households on incomes of more than £60,000 per year; and will set out revised rent guidance for local authorities.

*Consultation on retained firefighters' access to a pension scheme*

On 23 July, we announced a consultation to give eligible retained firefighters backdated access to pension benefits that are comparable to the now closed Firefighters' Pension Scheme 1992. The consultation is taking steps to address a historic anomaly that discriminated against retained firefighters by excluding them from access to a pension scheme. Retained firefighters are employees and they perform an important role for their communities and the proposals will introduce a fair system that provides a level playing field for all firefighters.

Copies of the consultation papers and associated documents have been placed in the Library of the House and on our departmental website.

## **Railways: Crossrail**

### *Statement*

**Earl Attlee:** I am pleased to inform the House that the Crossrail Sponsors (the Department for Transport and Transport for London) yesterday instructed Crossrail Limited to complete the Crossrail station at Woolwich. This instruction will allow the station at Woolwich to open alongside the rest of the central section of the Crossrail route, currently scheduled to happen in December 2018.

My Rt Hon Friend Philip Hammond MP, the then Secretary of State for Transport, made a statement in February 2011 confirming that an agreement for building

the station box at Woolwich had been finalised (16 February 2011: Column 88WS). Since then Berkeley Homes has proceeded with construction of the box, in line with that agreement. This work was completed ahead of schedule in March this year and the box has now been handed over to Crossrail Limited.

Government had always made clear that completion of the station would be conditional upon receiving sufficient funding contributions from those developers and businesses that stand to benefit from a Crossrail station at Woolwich.

The instruction to complete the station, therefore, follows the conclusion of an agreement to fund the fit-out works.

Crossrail Limited is receiving fixed additional funding of £54m. This is made up of contributions from the Royal Borough of Greenwich, through local developer contributions and a grant from the Greater London Authority; Berkeley Homes, the site developer; and Transport for London, whose contribution will be repaid through the additional farebox revenue generated by the station.

The remainder of the funding will be provided by Crossrail Limited. Crossrail Limited had made budgetary provision for works that were required to allow trains to run through the station box. This will be reallocated to the works required to complete the station.

A fully operational station at Woolwich will support the regeneration of this part of South East London, supporting the local borough's growth ambitions as well as significantly improving connectivity and access to job opportunities. It will also provide jobs during construction.

Crossrail Limited will now begin the process of procuring the fit-out works and will be publishing an OJEU shortly.

## Written Answers

Thursday 25 July 2013

### Agriculture: Genetically and Non-genetically Modified Crops

*Question*

*Asked by The Countess of Mar*

To ask Her Majesty's Government what is their estimate of the return on public investment in research and development in England of (1) genetically modified crop research, and (2) non-genetically-modified crop research. [HL1328]

**The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord De Mauley):** It would be very difficult to produce such a comparative estimate, and the Government has not attempted to do so. Most of the publicly-funded research in England which has involved the development of GM crop plants has been basic rather than applied research, supported by the Biotechnology and Biological Sciences Research Council. A number of general reviews have indicated that there is a good return on public investment in basic agricultural research, although lead times for economic returns often extend beyond ten years or more.

### Apprenticeships

*Question*

*Asked by The Earl of Courtown*

To ask Her Majesty's Government how many apprenticeship places have been created since the start of the current Parliament; in which sectors; and how many apprenticeship places there were for each year between 1997 and 2010. [HL1718]

**Baroness Garden of Frognal:** Information on the number of Apprenticeship starts in each quarter since 2002/03 and by sector subject area is published in Supplementary Tables to the Further Education and Skills Statistical First Release (SFR) at the following link:

[http://www.thedataservice.org.uk/Statistics/fe\\_data\\_library/Apprenticeships/](http://www.thedataservice.org.uk/Statistics/fe_data_library/Apprenticeships/)

Figures prior to 2002/03 are not available.

### Broadcasting: Channel 69

*Question*

*Asked by Lord Clement-Jones*

To ask Her Majesty's Government what were the final destinations of equipment surrendered as part of the Programme Making and Special Events Channel 69 funding scheme. [HL1842]

**Lord Gardiner of Kimble:** Ofcom and Equiniti, the organisation responsible for administering the funding scheme for the Programme Making and Special Events sector, had an agreement in place which required Equiniti to present proposals for disposing surrendered equipment to Ofcom for approval.

Equiniti engaged an experienced government surplus disposals business, Ramco Limited, to arrange disposal of equipment surrendered under the scheme (which was all marked as part of the surrender process to enable later identification). Over the course of the scheme, a small volume of disposals were authorised by Ofcom under this arrangement. These were made under conditions ensuring lawful use of equipment both before and after 31 December 2012. Following completion of the scheme, Ramco Limited arranged disposal of remaining equipment to Computers-R-US Inc., a US-based concern. Ofcom consented to the disposal of this equipment on the condition that any new users were located only in territories where use remains lawful (which excludes re-importation to the UK and other EU countries) and/or to recycling and disposal businesses.

### Child Poverty

*Question*

*Asked by The Earl of Courtown*

To ask Her Majesty's Government what steps they are taking to combat child poverty. [HL1758]

**The Parliamentary Under-Secretary of State, Department for Work and Pensions (Lord Freud):** The evidence consistently shows that the best routes out of poverty are through parents being in work and through a child's educational achievement.

We are introducing the universal credit which will reduce child poverty through making work pay and providing an effective route out of poverty. Universal credit will improve work incentives by allowing individuals to keep more of their income as they move into work, and by introducing a smoother and more transparent reduction of benefits when they increase their earnings.

We are also firmly committed to giving children the best opportunities in life. Targeting education as a route out of poverty, we are investing £2.5 billion in the pupil premium to raise educational attainment of poor children, as well as 260,000 disadvantaged two-year-olds receiving 15 hours a week of free early year's education.

We have consulted on and are developing better measures of child poverty which include, but go beyond income to provide a more accurate picture of the reality of child poverty and drive the right action. Our consultation on how best to measure child poverty closed on 15 February. The complexity of the issue means we need to take time to ensure we have the best option for measuring child poverty, so we can ensure we properly tackle the causes. We will publish our response as soon as we can.

### Cyclists

*Question*

*Asked by The Earl of Listowel*

To ask Her Majesty's Government what advice they give to cyclists in London on protecting their respiratory health against pollution. [HL1867]

**Earl Attlee:** The Government gives no such advice, a number of comprehensive assessments have shown that the health benefits of cycling (through reduced mortality and morbidity as a result of increased energy expenditure) greatly outweigh the risks due to poor air quality and road traffic casualties.

## Developing Countries: Women and Girls

### Question

Asked by **Baroness Kinnock of Holyhead**

To ask Her Majesty's Government whether they intend to include peace and security concerns in the Department for International Development's Strategic Vision for Women and Girls after the current revision of the Strategic Vision. [HL1742]

**Baroness Northover:** The Government has made substantial progress in implementing the DfID Strategic Vision for Girls and Women since its launch in March 2011. There are significant opportunities to further this work and the Secretary of State has called for an emphasis across DFID on women and girls in order to achieve greater impact in the run up to 2020 and beyond.

DFID is now working on how to deliver this. The critical importance of women, peace and security and making progress for girls and women in fragile and conflict affected states are key topics that will all be considered. DFID also appreciated the urgency of tackling violence against women during and after conflict; the need for security structures that work for women and girls; and the role of women as leaders in peace processes.

## Driving: Licences

### Question

Asked by **Lord Steel of Aikwood**

To ask Her Majesty's Government what is their assessment of the report published by the RAC Foundation on young driver safety, and in particular its proposal for the introduction of graduated driver licensing as adopted in other countries. [HL1877]

**Earl Attlee:** We intend to issue a green paper which will cover these issues later this year.

## Employment: Work Programme

### Questions

Asked by **Lord German**

To ask Her Majesty's Government what performance levels they set for contractors who provide services for the Work Programme. [HL1808]

To ask Her Majesty's Government what is the minimum level of performance standard they expect from contractors who provide them with services for the Work Programme. [HL1809]

**The Parliamentary Under-Secretary of State, Department for Work and Pensions (Lord Freud):** Work Programme performance is measured by expressing the number of job outcomes achieved in a period as a percentage of the number of referrals made to the Programme in the same period.

Minimum performance levels (MPLs) are set for three payment groups – Jobseeker's Allowance claimants aged 18 to 24 (payment group 1), Jobseeker's Allowance claimants aged 25 and over (payment group 2), and new Employment and Support Allowance claimants (payment group 6). MPLs vary over the life of contracts, as set out below:

Year 1	
	MPL
Payment Group 1 (18 – 24 Year olds)	5.5%
Payment Group 2 (25 + Year olds)	5.5%
Payment Group 6 (ESA flow)	5.5%
Year 2	
	MPL
Payment Group 1 (18 – 24 Year olds)	33.0%
Payment Group 2 (25 + Year olds)	27.5%
Payment Group 6 (ESA flow)	16.5%
Year 3	
	MPL
Payment Group 1 (18 – 24 Year olds)	40.0%
Payment Group 2 (25 + Year olds)	33.0%
Payment Group 6 (ESA flow)	16.5%

## Energy: Underground Coal Gasification

### Question

Asked by **Lord Hylton**

To ask Her Majesty's Government what is the earliest date by which they plan to have commercial underground coal gasification, with carbon capture and storage, operating in the United Kingdom; and what they expect to be the unit cost of electricity and gas produced by it. [HL1681]

**The Parliamentary Under-Secretary of State, Department of Energy and Climate Change (Baroness Verma):** A number of companies have indicated an interest in exploring the potential of offshore coal seams through Underground Coal Gasification (UCG), which involves the partial in-situ combustion of deep underground coal seams to produce a gas for use as an energy source. The technology is very much in its infancy at this stage, and therefore the potential of UCG with Carbon Capture and Storage (CCS) and the expected unit costs of generation have not been assessed.

The Government regularly reviews progress in the sector and will play its part by creating a regulatory environment which helps rather than hinders the ambitions of developers. The Coal Authority, our Non-Departmental Public Body, is in the lead as the freehold owner of the coal resource and the licensing body for the exploitation of coal. To date the Authority has issued some 14 conditional near offshore UCG licences to companies

keen to pursue the technology further. These enable prospective operators to secure the rights to the coal while projects are developed but importantly do not permit UCG operations to commence until all other rights and permissions are in place.

## Equality Act 2010

### Question

Asked by **Baroness Thomas of Winchester**

To ask Her Majesty's Government why they have not yet implemented section 165 of the Equality Act 2010 which places a duty on taxi drivers to assist passengers who are wheelchair users. [HL1773]

**Earl Attlee:** This matter has been subject to discussions across Government. My honourable Friend the Parliamentary Under-Secretary for Transport (Norman Baker) is keen to make announcement as soon as possible.

## EU: Roma Inclusion

### Question

Asked by **Baroness Whitaker**

To ask Her Majesty's Government whether they intend to support the proposal by the European Commission for a Council Recommendation on Roma inclusion. [HL1754]

**The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Hanham):** Her Majesty's Government notes the European Commission's proposal for a Council Recommendation on Roma inclusion; we are keen to encourage all Member States, particularly those with large and disadvantaged Roma populations, to take effective action to integrate their Roma citizens. Our priority will be to secure a flexible Council Recommendation that takes account of the different situations in different Member States. In order to achieve this we will engage positively with the negotiations on the Commission's proposal and play an active and constructive role in them.

## Film and Television Industry

### Questions

Asked by **Lord Wills**

To ask Her Majesty's Government what estimate they have made of the contribution of the film and television industries to United Kingdom exports in the last three years. [HL1787]

**Lord Gardiner of Kimble:** The most recent three years of data are shown in the table below. This information is already available in tables D1 and D2 from the ONS' International Trade in Services statistics at: <http://www.ons.gov.uk/ons/rel/itits/international-trade-in-services/2011/stb-itits-2011.html>

## INTERNATIONAL TRADE IN SERVICES

	2009	2010	Exports £ million 2011
Film Industry (excluding other services)	1,476	2,106	1,739
Television Industry (excluding other services)	1,480	1,705	1,508

Source:

Office for National Statistics ITIS survey

Asked by **Lord Wills**

To ask Her Majesty's Government what estimate they have made of the contribution of the film and television industries to United Kingdom employment in the last three years. [HL1788]

**Lord Gardiner of Kimble:** Latest available data from the DCMS Creative Industries Economic Estimates show that total of 72,000 people were employed in the film, video and photography sectors in 2010. For television and radio the total number employed was 114,000. These data include those working in the Creative Industries or in a creative role in another industry. Data for 2009 are shown below, earlier data are not available due to discontinuities in the underlying labour force survey data provided by the ONS.

This information is already available at:

<https://www.gov.uk/government/publications/creative-industries-economic-estimates-december-2011>

### Total Creative Employment

	2009	2010
Film, Video & photography	67,000	72,000
TV & Radio	113,000	114,000

Source:

DCMS, Creative Industries Economic Estimates

## Food: Food Banks

### Question

Asked by **The Lord Bishop of Derby**

To ask Her Majesty's Government what incentives are provided to supermarkets to donate waste food to food banks at the end of trading. [HL1296]

**The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord De Mauley):** The Government does not currently offer incentives to supermarkets to redistribute surplus food. We do however recognise the good work of organisations that redistribute surplus food to provide access to nutritional meals for those who may otherwise struggle. In addition, most major retailers already have partnerships with redistribution charities. In 2012, Defra held a meeting with retailers and food distribution charities to explore the current barriers to redistribution. The Waste and Resources Action Programme is working with Fareshare and FoodCycle to deliver a trial to increase food redistribution from retail stores.

## Gallipoli 100th Anniversary

### Question

Asked by *Lord Wakeham*

To ask Her Majesty's Government what plans they have to commemorate the 100th anniversary of the Gallipoli campaign in 2015 and the contribution made by the 410,000 British volunteers who came from all over the British Isles, together with the troops of many nations. [HL1644]

**Lord Gardiner of Kimble:** The Prime Minister announced plans to commemorate the First World War centenary in October 2012. The Gallipoli Campaign was identified as one of the six key events to be marked within the United Kingdom First World War Centenary Commemoration Programme (together with those marking the start of the war; the Battle of the Somme, the Battle of Jutland, the Battle of Passchendaele and the 100th anniversary of the armistice). The commemorations will honour those who served and remember those who died. Detailed plans around the individual events will be announced in due course.

The Minister for Sport and Tourism visited the Australian War Memorial in May 2013 to discuss the commemorations with his Australian counterparts.

## Gaza

### Question

Asked by *Lord Hylton*

To ask Her Majesty's Government whether any programme exists for providing sufficient drinkable water for the population of Gaza, between now and 2016; and, if so, what is preventing its implementation. [HL1481]

**Baroness Northover:** The improvement of water, sanitation and hygiene in the West Bank and Gaza is coordinated by the Emergency Water, Sanitation and Hygiene group (EWASH), a coalition of donors, government agencies and non-governmental organisations working in this sector. Further details about their work is available at <http://www.ewash.org/>.

Whilst the Israeli authorities have approved the entry of materials for some water, sanitation and hygiene projects in Gaza, the delays and costs associated with the Israeli approval process for international reconstruction projects still present considerable challenges for the civilian population of the Gaza Strip and increase the cost to donors.

The UK Government continues to press the Israeli Government, bilaterally and by working with others such as the EU, on the need to ensure adequate access to water in Gaza. We have repeatedly called for 'the immediate, sustained and unconditional opening of Gaza crossings for the flow of humanitarian aid, commercial goods and persons from and to the Gaza Strip' as stated in the EU Foreign Affairs Council Conclusions of May 2012.

## Government Departments: Ministerial Meetings

### Questions

Asked by *Lord Empey*

To ask Her Majesty's Government on what dates they have convened meetings attended by the Chief Constable of the Police Service of Northern Ireland, the Chairman of the Parades Commission for Northern Ireland and the Minister of Justice for Northern Ireland. [HL1765]

To ask Her Majesty's Government whether they will publish a full list of attendees at any meetings they have convened with the Chief Constable of the Police Service of Northern Ireland, the Chairman of the Parades Commission for Northern Ireland and the Minister of Justice for Northern Ireland; where any such meetings took place; and what was discussed and determined at any such meetings. [HL1766]

**The Parliamentary Under-Secretary of State, Wales Office (Baroness Randerson):** The Secretary of State for Northern Ireland met the Chief Constable of the Police Service of Northern Ireland, the Chairman of the Parades Commission for Northern Ireland and the Minister for Justice for Northern Ireland on Monday 4 February, Wednesday 10 April, Tuesday 14 May and Wednesday 3 July 2013. These meetings took place in Stormont House and via video link from Stormont House to 1 Horse Guards Road.

Also in attendance at these meetings were senior officials from the Northern Ireland Office and Department of Justice along with members of the PSNI Service Command Team and the Secretary of the Parades Commission.

These meetings provide participants with an opportunity to have a general discussion and to exchange views on progress of the parading season in Northern Ireland. No decisions are taken at these meetings and there are no discussions about operational matters relating to specific parades.

## Government Departments: Ministerial Responsibilities

### Question

Asked by *The Earl of Listowel*

To ask Her Majesty's Government which Minister in the Department for Work and Pensions has strategic responsibility for those granted refugee status as they make the transition to mainstream benefits. [HL1898]

**The Parliamentary Under-Secretary of State, Department for Work and Pensions (Lord Freud):** Being granted Indefinite Leave to Remain as a refugee allows a person to claim benefits on the same basis as a UK national (subject to the general rules of entitlement) and responsibility would fall to the Minister for Employment, Mark Hoban MP.

## House of Commons: Voting Restrictions

### Question

Asked by **Lord Rennard**

To ask Her Majesty's Government whether they intend to legislate to restrict votes in the House of Commons on matters defined as affecting England only to Members of Parliament representing English constituencies. [HL1521]

**Lord Wallace of Saltaire:** In January 2012, the Government announced the establishment of a Commission to consider how the House of Commons might deal with legislation which affects only part of the United Kingdom, following the devolution of certain legislative powers to the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. The Commission published its report in March 2013. The Government will provide a substantive response to it in due course.

## Immigration

### Questions

Asked by **Lord Roberts of Llandudno**

To ask Her Majesty's Government what was the rationale behind the Home Office tweet of Wednesday 3 July stating that "There will be no hiding place for illegal immigrants with the new "Immigration Bill"?" [HL1547]

**The Parliamentary Under-Secretary of State, Home Office (Lord Taylor of Holbeach):** The UK has a rich history as a diverse and welcoming society and our immigration policy is created to ensure we attract the brightest and the best. However those who are in the country illegally face removal and our communications reflect this.

We use a variety of channels, including social media, to raise awareness of government policy and our work to deliver that policy, including our efforts to counter illegal immigration. The Home Office Twitter account plays an important role, alongside more traditional methods such as press releases.

Asked by **Lord Faulkner of Worcester**

To ask Her Majesty's Government which international organisations' employees are exempt from entry clearances under the rules of the UK Border Agency. [HL1573]

To ask Her Majesty's Government what criteria the UK Border Agency follow in determining which are the international organisations whose employees qualify for exempt entry clearances. [HL1574]

To ask Her Majesty's Government when the list of international organisations whose employees qualify for exempt entry clearances, under the rules of the UK Border Agency, was last revised. [HL1575]

**Lord Taylor of Holbeach:** A list of the international organisations whose employees are exempt from entry clearance requirements appears on the Home Office's website at:

<http://www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/ecis/ecg/exempt-organisations-list.pdf>.

All employees of international organisations who have exemption from suit and legal process (i.e. not subject to domestic law) are exempt from immigration control. The detail of this is set out in the secondary legislation applicable to each international organisation recognised by Her Majesty's Government and in the Immigration Act 1971.

The Home Office is advised by the Foreign and Commonwealth Office which organisations are recognised as international organisations. This recognition occurs when Her Majesty's Government enters into a formal international agreement with such organisations.

The list was last updated in August 2011.

Asked by **Lord Steel of Aikwood**

To ask Her Majesty's Government when the list of international organisations whose employees qualify for exempt entry clearances was last updated by the UK Border Agency; and whether that list is approved by Ministers. [HL1678]

**Lord Taylor of Holbeach:** The list was last updated in August 2011. It is not approved directly by Ministers. Legislation is passed in order to grant the international organisations on the list immunities and privileges. That legislation is subject to Parliamentary scrutiny and Ministerial approval.

## Internet: Pornography

### Question

Asked by **Baroness Benjamin**

To ask Her Majesty's Government what assessment they have made of the action taken by the Authority for Television on Demand (ATVOD) to ensure that United Kingdom websites providing explicit pornography keep such material out of reach of those aged under 18; and whether they will take steps to assist ATVOD in acting in relation to websites operating from outside the United Kingdom. [HL1512]

To ask Her Majesty's Government what assessment they have made of the suggestion by the Authority for Television on Demand that United Kingdom financial institutions should consider whether it is possible to decline to process payments from the United Kingdom to the operations of non-United Kingdom websites which appear to be breaking the Obscene Publications Act 1959 by allowing children to access explicit hardcore pornography. [HL1515]

**Lord Gardiner of Kimble:** I welcome the work that the Authority for Television on Demand (ATVOD) has undertaken in this area to explore with UK financial institutions and card companies the possibility of declining to process payments to websites operating from outside

the EU which allow under 18s in the UK to view explicit pornographic content. The protection of children online is of the utmost importance and we will watch this work with interest. ATVO provided a report on this area to the UKCCIS executive board on July, 8th, 2013 and we look forward to receiving further reports on their progress in due course.

## Justice: Funding

### Question

Asked by **Lord Northbourne**

To ask Her Majesty's Government how much funding they provided annually in respect of family justice in the last five years for which figures are available. [HL1558]

**The Minister of State, Ministry of Justice (Lord McNally):** In its final report published in November 2011, the Family Justice Review estimated that the Family Justice System costs the public purse over £1.6 billion each year. This estimate was of the costs to the Government in 2009-10 and included HMCTS,

the then Legal Services Commission (now the Legal Aid Agency), CAF/CASS and CAF/CASS Cymru and local authorities.

The Government does not have the details of the costs to local authorities over the last five years because of the fact that many fund family law cases as part of a broad allocation of resource for social work, care services and legal support. However, the table below shows the estimated costs to HMCTS and the funding allocated to CAF/CASS for the period 2008-09 to 2012-13 along with estimated costs for the Legal Aid Agency (LAA) up to 2010-11. The costs for HMCTS are gross and do not take into account fees received by them. The costs for the LAA are net of any income received by them. This is consistent with the way the Family Justice Review estimated the overall cost of the system.

The costs to the LAA for 2011-12 are not yet available as legal aid funding is reported by funding scheme rather than by category of law, hence extracting data at this level of detail takes time to collate. The agency will write to the noble Lord by the end of August with the details.

Table showing rounded funding in £m over the last 5 years

Agency	2008-09	2009-10	2010-11	2011-12	2012-13
HMCTS (gross)	204.5	220.7	235.8	239.3	244.5 <sup>1</sup>
Cafcass (England only)	118.5	128.2	144.0	136.0	133.1
Legal Aid Agency (net)	623	597	683	N/A	N/A
Total	946	946	1063	-	-

<sup>1</sup> HMCTS costs for 2012/13 exclude the costs of the Court of Protection and Probate

## Local Government Ombudsman and Parliamentary and Health Services Ombudsman

### Questions

Asked by **Lord Touhig**

To ask Her Majesty's Government what assessment they have made of the efficiency as a means of redress of complaints against health and social care assessments, including those related to waiting times, to the Local Government Ombudsman and the Parliamentary and Health Services Ombudsman. [HL1804]

To ask Her Majesty's Government what recent assessment they have made of the length of time it takes for complaints against (1) the Local Government Ombudsman, and (2) the Parliamentary and Health Services Ombudsman, to be responded to. [HL1909]

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** The Department has not undertaken either of these assessments. Information on complaints against the Local Government Ombudsmen and the Parliamentary and Health Service Ombudsman are available at:

[www.Igo.org.uk](http://www.Igo.org.uk) and  
[www.ombudsman.org.uk](http://www.ombudsman.org.uk)

## Muttahida Quami Movement

### Questions

Asked by **Lord Ahmed**

To ask Her Majesty's Government what assessment they have made of the allegations made on BBC Newsnight on 10 July by the leader of the Muttahida Quami Movement, Mr Altaf Hussain, against the United Kingdom Government and UK law enforcement services; and whether they intend to take any action in response to those allegations. [HL1593]

**The Parliamentary Under-Secretary of State, Home Office (Lord Taylor of Holbeach):** The police are the appropriate body to investigate any allegations of criminal acts. Anyone with evidence of criminal acts being planned or commissioned from the UK should pass that information to the appropriate UK police force. The murder of Imran Farooq is the subject of an ongoing Metropolitan Police investigation. It would therefore be inappropriate to comment further.

Asked by **Lord Ahmed**

To ask Her Majesty's Government whether they have plans to consider the presence in the United Kingdom of the leader of the Muttahida Quami Movement, Mr Altaf Hussain. [HL1594]

**Lord Taylor of Holbeach:** For reasons of confidentiality, the Home Office does not routinely comment on individual cases.

## Northern Ireland Parades Commission

### Question

Asked by **Lord Kilclooney**

To ask Her Majesty's Government what was the total amount, including expenses, paid to each member of the Northern Ireland Parades Commission during the first six months of 2013. [HL1794]

**The Parliamentary Under-Secretary of State, Wales Office (Baroness Randerson):** The Parades Commission for Northern Ireland operates independently of Government. The Noble Lord may wish to write to the Commission directly on these matters.

## Overseas Aid

### Questions

Asked by **The Countess of Mar**

To ask Her Majesty's Government what is the breakdown of spending on genetically-modified agricultural projects directed at Africa undertaken by (1) United Kingdom universities or research institutes, (2) African universities or research institutes, and (3) international institutions, which are receiving funding from the Department for International Development, the Department for Environment, Food and Rural Affairs or the Biotechnology and Biological Sciences Research Council (including through partnerships) since 2005. [HL1713]

**Baroness Northover:** DfID does not track expenditure made by UK or African universities and research institutes in developing countries, nor would it be economic to do so. DEFRA has not funded international organisations to do work on genetic modification directed at Africa. BBSRC has provided £2 million of support since 2005 to research partnerships involving the use or production of a GM crop, usually to enable improved agricultural traits, for the potential benefit of countries in Africa and South Asia.

DfID estimates that 10% of its total agricultural research funds have been invested in the application of advanced biotechnology since 2005. This includes expenditure on the development of GM crops, but also on non-GM marker-assisted breeding and other advanced biotechnologies. The Natal agricultural research budget for this period was £440.7m. The development and use of GM crops has considerable potential for developing crops that have improved nutritional characteristics, are more productive and resilient to pests, disease and extreme weather.

Asked by **Lord Chidgey**

To ask Her Majesty's Government how they monitor the Department for International Development's bilateral aid spending on nutrition. [HL1732]

**Baroness Northover:** DfID annually reports its spending on Basic Nutrition according to the Organisation for Economic Co-operation and Development, Development Assistance Committee definition. In addition, DfID is working with other donors who support nutrition to agree a joint approach to tracking investments in programmes which are aimed at reducing undernutrition but which do not meet the Basic Nutrition coding definition. Together these data will provide a comprehensive overview of the United Kingdom's bilateral aid spending on nutrition.

Asked by **Lord Chidgey**

To ask Her Majesty's Government how they monitor the Department for International Development's bilateral aid spending on under-five child health. [HL1733]

**Baroness Northover:** DfID does not track inputs, allocations and expenditure according to the category requested. The UK's codes are based on the Organisation for Economic Co-operation and Development, Development Co-operation Directorate (DAC) codes which are used for reporting Official Development Assistance and, as a DAC member, the UK is committed to the transparent reporting of development assistance in a way that permits international comparisons. Details of the total expenditure on health are in Statistics on International Development 2007/8 — 2011/12, published in May 2013 and at

<https://www.gov.uk/government/organisations/department-for-international-development/about/statistics>.

Asked by **Lord Boateng**

To ask Her Majesty's Government whether the Department for International Development has any plans to launch bilateral nutrition programmes in (1) Ghana, (2) Rwanda, (3) Kyrgyzstan, and (4) Sierra Leone, to support or develop those countries' plans to address malnutrition. [HL1778]

**Baroness Northover:** In each of the 4 countries specified, DFID currently runs programmes in sectors which contribute to the key underlying determinants of nutrition, such as health, water, sanitation and hygiene and education although there are currently no bilateral nutrition programmes.

At the Nutrition for Growth event, the UK committed an additional £604 million between 2013 and 2020 for programmes in relevant sectors to deliver nutrition results, as well as committing an additional £375 million for direct nutrition programmes. Decisions on new bilateral nutrition programmes and the incorporation of nutrition goals and indicators into other investments will be taken by DFID country offices. Officials in Whitehall will work closely with Country offices, partner governments, donors and the Scaling Up Nutrition movement as part of the decision-making process.

Asked by **Lord Boateng**

To ask Her Majesty's Government whether they are on target to reach the objective to reach 20 million children under five with the United Kingdom's aid programme by 2015, as stated in the Department for International Development position paper Scaling Up Nutrition published in 2011; and how many children have been reached so far. [HL1779]

**Baroness Northover:** The UK is committed to reaching 20 million children and pregnant women with nutrition relevant programmes by 2015. It is making good progress towards achieving this target. DfID's Annual Report for the period 2012 — 2013 set out that DfID had reached 12.9 million children under 5 or pregnant women with nutrition programmes, compared to 5.5 million up to 2011-12.

As part of the UK's continued commitment to scale up its nutrition portfolio, new programmes have been approved, in Ethiopia, Kenya and Zambia, for example. In Zambia, the programme will result in 100,000 fewer children under five being stunted by 2016. In Ethiopia the programme will deliver nutrition interventions to 3.5 million children under the age of five by 2017. In Kenya the programme will prevent and treat acute malnutrition. It will provide annual treatment for 19,200 children under the age of five with severe acute malnutrition; treatment for 37,850 children under five and 11,300 pregnant or breastfeeding women with moderate acute malnutrition with further preventative care for 68,350 children under five and pregnant or breastfeeding women by 2015.

## Overseas Conflict: Sexual Violence

### Questions

Asked by **The Lord Bishop of Derby**

To ask Her Majesty's Government, further to the Written Answer by Baroness Northover on 9 July (WA35), what consideration has been given to inviting religious leaders from recipient countries to attend the high level event in the autumn designed to mobilise global leadership to prevent sexual violence in conflict. [HL1715]

**Baroness Northover:** The Call to Action event in the autumn will highlight the actions the international community needs to take for the protection of women and girls in emergencies. The UK's commitment to addressing sexual violence in conflict and, more broadly, in tackling the many forms of violence against women and girls that manifest themselves in emergencies. Preparations for the event are underway and officials are considering what role religious leaders might play.

Asked by **The Lord Bishop of Derby**

To ask Her Majesty's Government, further to the Written Answer by Baroness Northover on 9 July (WA35), whether the proposed technical training and guidance for field staff and advisers will include advice on how to engage with religious communities when providing humanitarian support to the victims of sexual violence in conflict. [HL1716]

**Baroness Northover:** The guidance and training for DfID advisers and staff is based on the United Nations Inter-Agency Standing Committee Guidelines for Gender-based Violence Interventions in Humanitarian Settings. These guidelines draw attention to the role that religious leaders and groups can play in the provision of psychological and social support, and in encouraging survivors of violence to seek appropriate care.

## Palestine

### Question

Asked by **Lord Hylton**

To ask Her Majesty's Government what is their response to the recent United Nations Office for the Coordination of Humanitarian Affairs report on Palestinians at risk of forcible transfer. [HL1482]

**Baroness Northover:** The issue of forcible transfer has been highlighted in a number of recent reports from the United Nations Office for the Coordination of Humanitarian Affairs, including a factsheet about communities on the Jerusalem periphery. It is an issue that the government takes very seriously.

We are funding the Norwegian Refugee Council (NRC) to provide free legal support to Palestinian communities at risk, including to all 23 Bedouin communities in the Jerusalem periphery. Such support has proven effective, as in 95% of the cases where NRC have provided legal aid, demolition orders have been suspended. The UK provides core financial support to the International Committee of the Red Cross and to the United Nations, both of whom have provided assistance to communities affected by demolitions and displacement in the West Bank and East Jerusalem.

The UK has made clear that we view demolitions and evictions as causing suffering to ordinary Palestinians, harmful to the peace process and, in all but the most limited circumstances, contrary to international humanitarian law, and we condemn them.

## Press Regulation

### Questions

Asked by **Lord Prescott**

To ask Her Majesty's Government when they propose to present to the Privy Council the all-party Royal Charter on press regulation; and whether they will do so before the completion of the consideration of the draft Royal Charter on that subject now before the Privy Council. [HL1727]

**Lord Gardiner of Kimble:** It has been widely known that the Press Charter will be considered and a decision taken before the cross party charter is submitted to the Privy Council. In considering the PressBoF Charter, the Government is following a robust procedure, in line with usual Privy Council processes. We want to see a tough new system of press self-regulation implemented swiftly,

Asked by **Lord Prescott**

To ask Her Majesty's Government who are the members of the Privy Council considering the draft Royal Charter on press regulation. [HL1728]

**Lord Gardiner of Kimble:** Membership of the Privy Council Committee which will be considering the PressBoF Royal Charter is published on the Privy Council website: <http://privycouncil.independent.gov.uk/royal-charters/petitions-for-royal-charters/>

## Public Bodies

### Questions

Asked by **Baroness Armstrong of Hill Top**

To ask Her Majesty's Government to which public bodies the Department for Communities and Local Government has appointed a chairperson since May 2010; and who was appointed in each case.[HL1770]

**The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Hanham):** Since May 2010 the Department for Communities and Local Government has appointed new chairmen to three public bodies. These were the Local Government Ombudsman, the Building Regulations Advisory Committee and the Audit Commission.

The following individuals were appointed: Dr Jane Martin was appointed Chairman of the Local Government Ombudsman; Neil Cooper was appointed Chairman of the Building Regulations Advisory Committee; and Jeremy Newman was appointed as Chairman of the Audit Commission.

This figure does not include re-appointments.

Asked by **Baroness Armstrong of Hill Top**

To ask Her Majesty's Government to which public bodies the Department of Health has appointed a chairperson since May 2010; and who was appointed in each case. [HL1771]

**The Parliamentary Under-Secretary of State, Department of Health (Earl Howe):** The Secretary of State has made 19 Chair appointments since 1 May 2010:

Public Body	Chair appointed since 1 May 2010
Administration of Radioactive Substances Advisory Committee	Dr John Rees
Care Quality Commission	Dame Josephine Williams (Resigned)
Care Quality Commission	Mr David Prior
Commission on Human Medicines	Professor Stuart Ralston
Committee on Mutagenicity of Chemicals in Food, Consumer Products and the Environment	Dr David Lovell
Health and Social Care Information Centre	Mr Kingsley Manning
Health Education England	Sir Keith Pearson
Health Research Authority	Professor Jonathan Montgomery
Independent Reconfiguration Panel	Lord Ribeiro
Medicines and Healthcare products Regulatory Agency	Sir Gordon Duff

Public Body	Chair appointed since 1 May 2010
Monitor	Mr Steve Bundred (Resigned)
Monitor	Mr David Bennett
National Institute for Health & Care Excellence	Professor David Haslam
NHS Blood and Transplant	Mr John Pattullo
NHS Commissioning Board	Mr Malcolm Grant
NHS Pay Review Body	Mr Jerry Cope
NHS Trust Development Authority	Sir Peter Carr
Public Health England	Dr David Heymann
Review Body on Doctors' and Dentists' Remuneration	Professor Paul Curran

Asked by **Baroness Armstrong of Hill Top**

To ask Her Majesty's Government to which public bodies the Department for Transport has appointed a chairperson since May 2010; and who was appointed in each case. [HL1797]

**Earl Attlee:** The Department for Transport has appointed a chairperson to the following public bodies since May 2010 (including re-appointments):

Public body	Chairperson appointed since May 2010 and who was appointed in each case
Rail Heritage Committee (RHC)	Re-appointed Peter Ovenstone 31 May 2012 and from 1 June 2012 until 1 April 2013
Rail Passenger Council/Passenger Focus	Re-appointed Colin Foxall 24 September 2013 until 23 September 2015
British Transport Police Authority (BTPA)	Re-appointed Millie Banerjee 1 December 2012 until 30 November 2015
Disabled Persons Transport Advisory Committee (DPTAC)	Re-appointed Dai Powell 1 September 2012 and again on 1 April 2013.
High Speed 2 Ltd (HS2)	Appointed Doug Oakervee 26 March 2012.
British Railways Board Residuary (BRBR)	Re-appointed Doug Sutherland 31 Mar 2013 for 6 months extension until abolition
London and Continental Railways (LCR)	Appointed Lorraine Baldry 1 April 2011

## Railways: High Speed 2

### Question

Asked by **Lord Berkeley**

To ask Her Majesty's Government how many properties in each affected borough or district are located within the safeguarded areas for HS2 construction. [HL1764]

**Earl Attlee:** The table below details how many properties in each affected borough or district are located within the safeguarded areas for HS2 construction.

Borough/District	July 2013 Zone Safeguarding Borough / District Total
Camden	2,740
City of Westminster	358

Number of properties within the July 2013 Safeguarded Area, by borough and district.

Borough/District	July 2013 Zone Safeguarding Borough / District Total
Ealing	31
Brent	506
Kensington & Chelsea	0
Hillingdon	35
Hammersmith & Fulham	9
Three Rivers District	0
South Bucks District	1
Chiltern District	75
Aylesbury Vale District	34
Wycombe District	0
Cherwell District	3
South Northamptonshire District	9
Stratford on Avon District	6
Warwick District	33
North Warwickshire Borough	93
Solihull District	33
Birmingham District	100
Lichfield District	34
Total	4100

Notes:

#### Method

Figures have been produced by mapping the latest (May 2013) OS Address Layer / Property Point dataset against the July 2013 Safeguarded area.

The 'Stage B' sections around Northolt Corridor and Bromford Viaduct areas are not included pending their confirmation.

The Safeguarding boundaries have been split into LA Borough sections and a query performed to count the number of Postal Points within each section. These numbers form the results above.

The dataset is derived from Royal Mail data, based on any property with a postal address.

#### Limitations

The total figure for each borough / district includes both dwellings and businesses. It also includes areas safeguarded for surface running and tunnels.

The figures provided are purely total properties in the area, and do not account for how many of those properties would be likely to meet the eligibility conditions for purchase under statutory blight provisions.

The dataset may not capture all the properties within the Safeguarding boundaries as the point is located at the centre of each property parcel. A property parcel may be within the Safeguarding boundary, however the centre just outside. In this instance, the property would not be counted. The Postal Point layer contains all properties with a postal address—this would exclude plots of land such as roads, allotments, derelict industrial land etc. All 'PO BOX' entries were removed before calculations run.

## Railways: Intercity Express Trains

### Question

Asked by **Lord Berkeley**

To ask Her Majesty's Government, further to the Written Answer by Earl Attlee on 15 October (WA 452), what is the current total real cash value of the Intercity Express Programme contract over the 27.5 year period; and what will be the estimated annual payment, at 2012 prices, when both the Great Western and East Coast fleets are in service including the additional trains added to the contract to replace the IC225 fleet on the East Coast. [HL1763]

**Earl Attlee:** The Intercity Express Programme contract has a net present value of approximately £5.8 billion at 2009 prices, and a nominal value of approximately £22 billion over 27.5 years. The estimated annual payment, at 2012 prices, when both Great Western and the full East Coast fleets are in service in 2020-21 is approximately £539 million.

## Roads: Heavy Goods Vehicles

### Question

Asked by **Lord Brabazon of Tara**

To ask Her Majesty's Government what assessment they have made of the policy in France of restricting heavy good vehicles to the inside-lane on uphill stretches of two-lane dual-carriageways, motorways and trunk roads, and at certain times of day; and, whether they have any plans to introduce a similar policy in the United Kingdom. [HL1723]

**Earl Attlee:** We have made no specific assessment of the French policy.

In a few, very specific, locations where there have been congestion problems caused by lorries trying to overtake on extended uphill sections of the strategic road network, restrictions on lorry overtaking have been put in place by the Highways Agency. These restrictions have only been kept in place where monitoring has provided clear evidence of overall journey time improvements. In some locations, there is evidence that the overtaking restrictions have also improved journey times for HGVs.

The current list of HGV overtaking ban sites is below.

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M42 J10-11 (Northbound)  
 A14 M1 J19 Catthorpe to A14 J1 Cold Ashby (Eastbound)  
 &  
 A14 J2 Kelmarsh – A14 J1 Cold Ashby (Westbound)  
 A1(M) J63 Southbound  
 A1(M) J61 Southbound  
 M11 J8-9 North and Southbound  
 A34 Gore Hill (N/B)  
 A20 Port of Dover (Western Heights) (W/B)

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## Shipping: Navigation Stations

### Questions

Asked by **Lord Berkeley**

To ask Her Majesty's Government what is the projected cost of the rollout of seven differential eLoran electronic navigation stations; what has been the cost to date of the eLoran project; and whether the cost will be met entirely by public funds. [HL1817]

**Earl Attlee:** The Initial Operational Capability project to install or upgrade eLoran equipment at seven ports along the east coast of the United Kingdom will cost £0.709m. Expenditure on developing eLoran since 2008 is £2.14m. These costs are met from public funds, including the General Lighthouse Fund, Home Office budgets and, from 2008 to 2011, a Department for Transport grant.

*Asked by Lord Berkeley*

To ask Her Majesty's Government whether any shipping companies have made an official complaint about GPS jamming in British territorial waters or GPS vulnerability since 2010, or have requested the rollout of differential eLoran stations; and, if so, which. [HL1818]

**Earl Attlee:** No official complaints about GPS jamming or vulnerability have been received. However, the vulnerability of satellite navigation systems (including GPS) to space weather events is widely recognised.

The Lights Advisory Committee, which represents the views of shipping companies in the annual corporate planning round for the General Lighthouse Authorities (during which all expenditure, including the sanction for eLoran, is considered), has supported the development of eLoran since its inception.

### Taiwan

#### Question

*Asked by Lord Steel of Aikwood*

To ask Her Majesty's Government whether they will support the admission of Taiwan as an observer at the forthcoming meeting of the International Civil Aviation Organisation. [HL1816]

**Earl Attlee:** The Government supports Taiwan's practical participation in international organisations where this does not require statehood.

Taiwan continues to seek meaningful participation in the International Civil Aviation Organisation and we support Taiwan's attendance of the General Assembly in an unofficial capacity, as occurred at the previous Assembly in October 2010.

### Taxation: Mansion Tax

#### Questions

*Asked by Lord Oakeshott of Seagrove Bay*

To ask Her Majesty's Government, in relation to HM Treasury research on a mansion tax quoted by Mr David Gauke, Exchequer Secretary to the Treasury, what is the regional breakdown of the estimated 55,000 residential properties worth over £2 million between Greater London, South-East England, and the rest of the United Kingdom. [HL1465]

To ask Her Majesty's Government, in relation to HM Treasury research on a mansion tax quoted by Mr David Gauke, Exchequer Secretary to the Treasury, what is the median estimated payment of mansion tax in respect of their estimated 55,000 properties liable to pay the tax. [HL1466]

To ask Her Majesty's Government, in relation to HM Treasury research on a mansion tax quoted by Mr David Gauke, Exchequer Secretary to the Treasury, what is the estimated breakdown of the £2 billion payable annually in mansion tax in respect of properties worth (1) £2 to £3 million, (2) £3,000,001 to £5 million, (3) £5,000,001 to £10 million, and (4) over £10 million. [HL1467]

To ask Her Majesty's Government, in relation to HM Treasury research on a mansion tax quoted by Mr David Gauke, Exchequer Secretary to the Treasury, (1) on whose authority HM Treasury officials' time was used on that research, (2) whether it was approved by the Permanent Secretary, and (3) whether it was made available on equal terms for use by Conservative and Liberal Democrat Treasury Ministers. [HL1468]

To ask Her Majesty's Government whether they will place HM Treasury's research into a mansion tax in the Library of the House. [HL1469]

**The Commercial Secretary to the Treasury (Lord Deighton):** The Treasury does not have a precise regional breakdown of properties worth over £2million. However, this can be approximated from the regional breakdown of residential property transactions over £2 million.

The table below provides the regional breakdown of residential property transactions over £2 million in 2011-12 by Government Office Region, drawn from HM Revenue & Customs' Stamp Duty Land Tax (SDLT) returns. In 2011-12, 71 per cent of residential property transactions over £2 million were for properties in Greater London, 17 per cent were in South East England, and 12 per cent were in the rest of the United Kingdom.

<i>£2m+ transactions in 2011-12</i>		
	<i>Number of transactions</i>	<i>Percentage</i>
East Midlands	30	1
East of England	110	3
London	2620	71
North East	Less than 30	0
North West	70	2
Northern Ireland	Less than 30	0
Scotland	40	1
South East	630	17
South West	120	3
Wales	Less than 30	0
West Midlands	40	1
Yorks and Humberside	30	1
		100

The research referred to by the Exchequer Secretary to the Treasury is a simple calculation arrived at by dividing £2 billion (which the Opposition have stated would be the amount they would seek to raise through a mansion tax) by 55,000 (an internal HMRC estimate of the number of properties valued at over £2 million) to give a 'mean' average of £36,000. The Treasury does not have an estimate of the median payment in respect of the estimated 55,000 properties liable to pay the Opposition's proposed mansion tax.

The £2 billion referred to is the amount which the Opposition have stated they would seek to raise through a mansion tax. The Treasury does not, therefore, have a breakdown of the £2 billion payable annually in mansion tax in respect of properties worth (1) £2 to £3 million, (2) £3,000,001 to £5 million, (3) £5,000,001 to £10 million, and (4) over £10 million of properties worth over £2million.

The research, quoted by the Exchequer Secretary, was carried out as part of the usual Budget process by the Treasury.

This was part of wider work to consider a number of policy options at Budget 2012, including the introduction of the higher rate of SDLT for residential transactions of more than £2 million, and the Annual Tax on Enveloped Dwellings, a tax on non natural persons owning residential properties valued at more than £2 million.

The research quoted by the Exchequer Secretary of the Treasury was included in submissions that were sent to both Conservative and Liberal Democrat Treasury Ministers for consideration.

The data supporting the statement made by the Exchequer Secretary to the Treasury has been provided in the answers to questions HL1465, HL1466, HL1467, HL1468.

## Unemployment

### Question

*Asked by The Earl of Courtown*

To ask Her Majesty's Government what are their proposals to enable those not in education, employment or training to get back into education, employment or training. [HL1701]

**The Parliamentary Under-Secretary of State, Department for Work and Pensions (Lord Freud):** In December 2011, Department for Work and Pensions, the Departments for Education, and Business Innovation and Skills published "Building Engagement, Building Futures: Our Strategy to Maximise the Participation of 16-24 year olds in Education, Training and Work".

The strategy sets out the Government's approach to improving opportunities for young people, to succeed in education and training and gain the skills needed to secure employment and an Apprenticeship.

## Young Offenders Institutions

### Question

*Asked by Baroness Doocey*

To ask Her Majesty's Government how many (1) Vietnamese, and (2) Afghan, nationals under 18 years old were accommodated in the youth secure estate in each year between 2009 and 2012. [HL1568]

**The Minister of State, Ministry of Justice (Lord McNally):** It is not possible to provide information on the number of 1) Vietnamese, and 2) Afghan nationals under 18 years old who were accommodated in the youth secure estate in each year between 2009 and 2012 because it would require the manual inspection of each individual's record, which could only be done at disproportionate cost.

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