Secondary Legislation Scrutiny Committee

The Committee was established on 17 December 2003 as the Merits of Statutory Instruments Committee. It was renamed in 2012 to reflect the widening of its responsibilities to include the scrutiny of Orders laid under the Public Bodies Act 2011.

The Committee’s terms of reference are set out in full on the website but are, broadly, to scrutinise —

(a) every instrument (whether or not a statutory instrument), or draft of an instrument, which is laid before each House of Parliament and upon which proceedings may be, or might have been, taken in either House of Parliament under an Act of Parliament;

(b) every proposal which is in the form of a draft of such an instrument and is laid before each House of Parliament under an Act of Parliament,

with a view to determining whether or not the special attention of the House should be drawn to it on any of these specified grounds:

(a) that it is politically or legally important or gives rise to issues of public policy likely to be of interest to the House;

(b) that it may be inappropriate in view of changed circumstances since the enactment of the parent Act;

(c) that it may inappropriately implement European Union legislation;

(d) that it may imperfectly achieve its policy objectives;

(e) that the explanatory material laid in support provides insufficient information to gain a clear understanding about the instrument’s policy objective and intended implementation;

(f) that there appear to be inadequacies in the consultation process which relates to the instrument.

The Committee may also consider such other general matters relating to the effective scrutiny of secondary legislation as the Committee considers appropriate, except matters within the orders of reference of the Joint Committee on Statutory Instruments.

Members
Baroness Blackstone        Lord Haskel        Lord Sherbourne of Didsbury
Lord Faulkner of Worcester Rt Hon. Lord Janvrin  Rt Hon. Lord Trefgarne (Chairman)
Baroness Finn               Lord Kirkwood of Kirkhope Baroness Watkins of Tavistock
Lord Goddard of Stockport   Baroness O’Loan

Registered interests
Information about interests of Committee Members can be found in the last Appendix to this report.

Publications
The Committee’s Reports are published on the internet at www.parliament.uk/seclegpublications

The National Archives publish statutory instruments with a plain English explanatory memorandum on the internet at http://www.legislation.gov.uk/uksi

Information and Contacts
Any query about the Committee or its work, or opinions on any new item of secondary legislation, should be directed to the Clerk to the Secondary Legislation Scrutiny Committee, Legislation Office, House of Lords, London SW1A 0PW. The telephone number is 020 7219 8821 and the email address is hlseclegscrutiny@parliament.uk.
INSTRUMENTS DRAWN TO THE SPECIAL ATTENTION OF
THE HOUSE

Draft Environmental Protection (Microbeads) (England) Regulations 2017

Date laid: 28 November 2017
Parliamentary procedure: affirmative

Summary: These draft Regulations ban the manufacture and sale of rinse-off personal care products containing microbeads (very small water-insoluble solid plastic particles). Microplastics ingested by marine organisms can cause harm either directly or by transporting other chemical contaminants into their systems: microbeads contribute to this pollution.

We draw these Regulations to the special attention of the House on the ground that they give rise to issues of public policy likely to be of interest to the House.

1. In the Explanatory Memorandum (EM) to these draft Regulations, the Department for Environment, Food and Rural Affairs (Defra) says that the small but avoidable contribution of microbeads to marine microplastic pollution has long been recognised. Defra explains for example that, in 2016, a five-year study conducted by the University of Plymouth showed that microplastics ingested by marine organisms can cause harm either directly or by transporting other chemical contaminants into their systems. Microbeads, namely, water-insoluble solid plastic particles that measure less than, or equal to, 5mm in any dimension, contribute to this pollution.

Greenpeace petition; report by Environmental Audit Committee

2. The Department says that, in January 2016, Greenpeace launched a petition calling for the UK Government to ban microbeads from cosmetics, which received over 385,000 signatures; and that, in August 2016, the Environmental Audit Committee (EAC) of the House of Commons published its inquiry into the environmental impact of microplastics,1 which included a recommendation to introduce legislation to ban the use of microbeads in cosmetic and personal care products.

3. These draft Regulations ban the manufacture and sale of rinse-off personal care products containing microbeads in England. In its Report, the EAC referred to expert estimates that around 680 tonnes of plastic microbeads are used in the UK every year: a single shower can result in 100,000 plastic particles entering the sewerage system. “Microplastics from cosmetic products are believed to make up 0.01% to 4.1% of the total microplastics entering the marine environment. The fact that this accounts for a small percentage of total microplastic pollution in the sea does not stop it being a significant and avoidable environmental problem, and possibly a low-hanging fruit in the context of tackling wider plastic pollution.”2

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2 Ibid, para. 39.
4. Defra says that voluntary action by the cosmetics industry, as well as pressure from consumers, has meant that more than 70% of producers have already removed microbeads from their products. However, it considers that a legislative ban will ensure consistency in understanding of what is meant by “microbead” and as a result will ensure that all relevant products are free from microbeads.

Consultation

5. A Government consultation on proposals to ban the use of plastic microbeads in cosmetics and personal care products in the UK was held between 20 December 2016 and 28 February 2017. Defra says that there were 437 responses, mostly from individuals, but also from a wide range of organisations including cosmetics companies and associations, environmental charities and campaign groups, academic institutions, local authorities and fishing organisations; most respondents welcomed the proposed ban. A summary of responses was published in July 2017.3

6. In the December 2016 consultation paper, the Government said that, in England, the legislation was expected to come into force by 1 October 2017; by the time that the summary of consultation responses was published in July 2017, however, Defra had revised its plans, with a view to bringing the legislation into force by 1 January 2018. Defra has told us that the timing set out in the consultation document was agreed before the June General Election was called, and that the impact of the Election meant that the Regulations were laid later than originally expected. The Devolved Administrations hope to bring their legislation into force in May 2018 with a ban coming into effect by the end of June 2018.

Draft Housing and Planning Act 2016 (Banning Order Offences) Regulations 2017

Date laid: 29 November 2017

Parliamentary procedure: affirmative

Summary: These draft Regulations, laid under the Housing and Planning Act 2016, specify “banning order offences”: where someone has been convicted of a banning order offence, the local authority will be able to apply to a First-tier Tribunal for an order banning that landlord or property agent from being involved in the management of property. When the Housing and Planning Bill was before the House, the Delegated Powers and Regulatory Reform Committee commented that leaving the specification of these offences to a statutory instrument was an example of legislation being presented to Parliament before the underlying policy had been properly formulated. The fact that the Government consulted on these offences seven months after the 2016 Act gained Royal Assent bears out the accuracy of this comment.

We draw these Regulations to the special attention of the House on the ground that they give rise to issues of public policy likely to be of interest to the House.

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7. In the Explanatory Memorandum (EM) to these draft Regulations, the Department for Communities and Local Government (DCLG) says that the Housing and Planning Act 2016 ("the 2016 Act") introduced a package of measures designed to help local authorities take effective action against rogue landlords and property agents. The 2016 Act (at section 14(3)) confers a power on the Secretary of State to specify in regulations what constitutes a "banning order offence".

8. Where someone has been convicted of a banning order offence, the local authority can apply to a First-tier Tribunal for an order banning that landlord or property agent from being involved in the management of property. DCLG says that the purpose of a banning order is to enable local authorities to tackle the most serious and prolific offenders by preventing them from being involved in the renting out or management of housing in the private rented sector. Regulation 3 and the Schedule to these draft Regulations specify banning order offences. The Schedule lists 14 separate Acts and the relevant provisions in them which specify the offences.

Delegated Powers and Regulatory Reform Committee comments on power in Bill

9. When the Housing and Planning Bill was initially under consideration in this House, the power to specify banning order offences (then in clause 13(3)) was proposed to be subject to negative resolution. In its 20th Report of Session 2015–16, the Delegated Powers and Regulatory Reform Committee (DPRRC) commented that it was inappropriate that the determination of these offences should be left entirely to the discretion of the Secretary of State, with only a modest level of Parliamentary scrutiny. It recommended that clause 13(3) should be removed from the Bill and replaced with a provision listing the offences that constituted "banning order offences", coupled with a delegated power to amend the list by affirmative procedure regulations. Its recommendation was mentioned by several members during this House's Committee stage on the Bill.

10. The DPRRC published the Government response to the recommendation in its 26th Report of Session 2015-16. The response indicated that the Government would amend the Bill to provide that the regulations prescribing banning order offences should be subject to the affirmative procedure. In its 27th Report of the same Session, commenting on Government amendments to the Bill, the DPRRC expressed its disappointment that the relevant amendment did “no more than require the affirmative procedure for regulations under clause 13(3), without including more on the face of the Bill about the ‘banning order offences’ themselves. In her response to our recommendation, the Minister gave as a reason for not including more in the Bill her intention to consult on draft regulations in order ‘….to get the details of these offences right…’ However, we regard this as a further example of legislation being presented to Parliament before the underlying policy is properly formulated. We repeat our earlier conclusion that it is inappropriate to delegate to secondary legislation the entire definition of a key element in the conditions that may lead to a banning order being made.”

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5 HL Deb, 9 February 2016. See; http://hansard.parliament.uk/lords/2016-02-09/debates/16020973000406/HousingAndPlanningBill  
Consultation

11. In the EM, DCLG says that it carried out a consultation process on the banning order offences specified in this instrument over an eight-week period between 13 December 2016 and 10 February 2017. Consultees included local authorities, landlord organisations, tenant groups, housing charities and representatives of letting agents. 223 responses were received; 84% of respondents agreed that the proposed banning order offences were the right ones.

12. DCLG states that a range of further offences were suggested by respondents because they were considered likely to be committed by a rogue landlord against their tenants; and that, as a result, additional offences have been included at items 7 to 14 in the Schedule to the Regulations. We take the view that the fact that the Department consulted on these offences seven months after the 2016 Act gained Royal Assent demonstrates only too clearly the accuracy of the DPRRC’s comment that the primary legislation was presented before the underlying policy had been properly formulated.

13. We note as well that DCLG failed to publish the Government response to the consultation at the same time as laying the draft Regulations, even though the latter were laid more than nine months after the end of the consultation period. While we understand that the Department aims to make the response available soon, non-simultaneous publication is at odds with the Government’s own Consultation Principles.

National database of rogue landlords and property agents

14. The consultation paper stated that the 2016 Act also provided for a national database of rogue landlords and property agents to be set up and maintained. We understand that DCLG intends to bring forward a further instrument (subject to negative resolution) which will specify the information that will need to be recorded by local authorities on the database, and which will provide for the database to be introduced at the same time as the banning order Regulations are proposed to come into force, namely, 6 April 2018.

Conclusion

15. Given concern expressed when the Bill was under consideration, the House will be interested to see the banning order offences which the Department now proposes should be specified under the 2016 Act.

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9 See Appendix 3 to the Committee’s 23rd Report, Session 2015–16 (HL Paper 89).
INSTRUMENTS OF INTEREST

Marshall Scholarships Order 2017 (SI 2017/1109)

16. Marshall Scholarships are offered to American post-graduate students to study in the UK, in commemoration of assistance received by the UK under “Marshall Aid” after World War II. This Order raises the maximum number of Marshall Scholarships that may be offered in one year from 40 to up to 50, to meet anticipated growth in the available funding over the next five years. Part of this increase will be provided by the Foreign and Commonwealth Office (FCO) enhancing its grant-in-aid funding from £2 million to £2.25 million per year. The Committee raised a number of questions about the policy and the FCO’s responses to this are included at Appendix 1. The Committee was surprised that the FCO plans to use taxpayers’ money to increase its sponsorship of foreign students from a rich nation at a time when there is significant concern about the effect of student loans on British students. Nor was the Committee persuaded that it was equitable to sponsor American students to do two MAs back to back when that opportunity is not available to our own students.

Police Federation (England and Wales) Regulations 2017 (SI 2017/1140)

17. These Regulations are the final phase in the implementation of the 36 recommendations for the reform of the Police Federation that were set out in the report of the Police Federation Independent Review\(^\text{10}\) chaired by Sir David Normington. The Police Federation accepted these recommendations in full at its 2014 conference and embarked on an extensive internal reform programme to implement them. These Regulations make structural and operational changes to the Police Federation and revoke and replace the Police Federation Regulations 1969 (SI 1969/1787). Key changes include a more centralised financial system, new arrangements for branch and national representation, revised election systems, and the removal of separate committees for each rank, which the Normington Review perceived to be one of the key barriers to the organisation speaking “as a united Federation with one credible voice”. The changes take effect on 31 December 2017.


18. Following the expiry of the Severn Bridge contract, the bridge will return to public ownership on 8 January 2018. At that point in time the tolls will be decreased, in part because Value Added Tax is not due on charges for crossings that are in public ownership. The Department for Transport Minister will shortly sign a Direction under provisions of the Transport Act 2000 to set the new charges (that instrument will not have a Parliamentary procedure or be subject to scrutiny). These Regulations facilitate the introduction of this charging scheme by allowing the charging categories for vehicles used under the current toll system to be continued under the new charging scheme. The Government have said that the revenue from the charge will go towards costs previously incurred by the Government relating to the crossing, and to transitional costs, but they have also undertaken that charging on the Severn Crossings will cease altogether at the end of 2018.

Childcare (Early Years Provision Free of Charge) (Extended Entitlement) (Amendment) Regulations 2017 (SI 2017/1160)

19. In our 11th report of this Session, we published information about the Childcare Payments (Eligibility) (Amendment) Regulations 2017 (SI 2017/1101), laid by HM Revenue and Customs (HMRC), to clarify certain aspects of eligibility for these payments. HMRC had told us that SI 2017/1101 addressed minor changes designed to provide greater clarity and improve the customer experience, rather than increase the take-up of the scheme. We commented that it seemed clear that many parents found it hard to understand both the details of Tax-Free Childcare accounts, and the process of applying for them, and we urged HMRC to be vigilant for ways of further improving the intelligibility of the system.

20. The Department for Education (DfE) has now laid the Childcare (Early Years Provision Free of Charge) (Extended Entitlement) (Amendment) Regulations 2017, with an Explanatory Memorandum (EM). DfE says that, following feedback from applicants for both 30 hours free childcare and Tax-Free Childcare, together with HMRC it considers that making minor technical changes to the application process “will simplify and improve the parent journey”. That is the effect of these Regulations. We welcome the Department’s readiness to make such changes, reflecting a recognition of the needs of parents who are the users of the system.
INSTRUMENTS NOT DRAWN TO THE SPECIAL ATTENTION OF THE HOUSE

Draft instruments subject to affirmative approval

Draft Judicial Pensions (Fee-Paid Judges) (Amendment) Regulations 2017
Draft Armed Forces Act 2006 (Amendment of Schedule 2) Order 2017

Instruments subject to annulment

SI 2017/1075 Ionising Radiations Regulations 2017
SI 2017/1109 Marshall Scholarships Order 2017
SI 2017/1137 Town and Country Planning (Operation Stack) Special Development (Amendment) Order 2017
SI 2017/1140 Police Federation (England and Wales) Regulations 2017
SI 2017/1144 Credit Unions Act 1979 (Locality Common Bond Conditions) Order 2017
SI 2017/1147 Recovery of Costs (Remand to Youth Detention Accommodation) (Amendment No. 2) Regulations 2017
SI 2017/1148 Civil Procedure Act 1997 (Amendment) Order 2017
SI 2017/1151 State Pension Revaluation for Transitional Pensions Order 2017
SI 2017/1152 State Pension Debits and Credits (Revaluation) (No. 2) Order 2017
SI 2017/1156 Motor Cars (Driving Instruction) (Amendment) Regulations 2017
SI 2017/1160 Childcare (Early Years Provision Free of Charge) (Extended Entitlement) (Amendment) Regulations 2017
SI 2017/1164 Statutory Auditors Regulations 2017
SI 2017/1165 Fire and Rescue Authority (Membership) Order 2017
SI 2017/1166 Fisheries and Rural Affairs (Miscellaneous Revocations) Regulations 2017
SI 2017/1168 Tribunal Procedure (Amendment No. 2) Rules 2017
| SI 2017/1169 | First-tier Tribunal and Upper Tribunal (Chambers) (Amendment No. 2) Order 2017 |
| SI 2017/1173 | Payment Systems and Services and Electronic Money (Miscellaneous Amendments) Regulations 2017 |
| SI 2017/1177 | Environmental Damage (Prevention and Remediation) (England) (Amendment) Regulations 2017 |
| SI 2017/1187 | Social Security (Miscellaneous Amendments No. 5) Regulations 2017 |
APPENDIX 1: MARSHALL SCHOLARSHIPS ORDER 2017

Additional Information from the Foreign and Commonwealth Office (FCO) on the Marshall Scholarships Order 2017

Q1: What are the financial arrangements between FCO, the Alumni and corporate partnership – for example is fund-matching required?

A1: For the 2017-2018 financial year the funding of the MACC Scholarship Programme totalled £2.98m comprised as follows:

- FCO Grant in Aid: £2.25 million
- Tuition Fee Remission by University Partners: £0.673 million
- Non-university partner funding (eg alumni and philanthropic bodies): £0.057 million

Match funding is not required.

Q2: What proportion of the scheme is paid for by the FCO?

A2: The FCO grant in aid covered 67.55 percent of funding in 2017-18. This means that after overheads have been taken into account, in round figures, 32 scholars are being funded by the FCO this year out of 40. FCO funding increased at the instigation of the Foreign Secretary in the current (2017-18) financial year from £2 million to £2.25 million to mark the 70th anniversary of General Marshall’s speech at Harvard in 1947 which launched the Marshall Plan. This increase enabled scholar numbers to rise from 31-32 over last few years, to 40. Any increase in scholar numbers beyond 40 will be funded via the Commission’s efforts to attract third party funding.

Q3: In a time of austerity and fiscal constraint in other Whitehall Departments what is the justification for the FCO increasing its expenditure on this?

A3: HMG has a statutory responsibility to sustain the Programme. The FCO grant in aid is considered a good investment, as the MACC programme is a key tool in sustaining the UK-US special relationship and is still fulfilling, very successfully, the obligation of thanking the people of the United States for the UK share of Marshall Aid assumed under the 1953 Act. It should also be borne in mind more than 90 percent of this funding is spent by Scholars in the United Kingdom on tuition fees, travel and living expenses.

However it is not the current intention that FCO funding should increase beyond what has already been agreed, given the Commission’s belief that there is scope to fund additional scholarships via third party funding. Work on this has already begun: for instance, in 2018-19 one scholarship will be fully funded via an endowment established and funded by the Marshall alumni body (the Association of Marshall Scholars) and the Commission are pro-actively seeking to diversify funding sources.

Q4: What is the justification for increasing the numbers?

A4: The Marshall programme generates wide interest in the United States including at the highest level of government and attracts increasing numbers of applicants. Recruitment and marketing of the programme is conducted on a regional basis to ensure both geographical and social economic balance. The scale of the Programme is important in order to be meaningful in the US, and in order
that its goals in relation to outreach and diversity can be credible. The Programme has a great track record, is a highly regarded British success story on both sides of the Atlantic and now has a self-sustaining momentum to support the proposed modest growth in numbers.

In recent times, eight of the awards have effectively been funded by third parties and the Commission believes it can increase this figure provided such supporters can be assured their support will have an incremental rather than substitutional effect.

**Q5: What is the duration of the Scholarship and its broad terms – are there any conditions to it for example that it is offered only to the under privileged?**

A5: Scholars may choose to study in the UK for a one year master’s degree, two one year master’s courses back to back, or for a three year PhD course. The majority study for two years. Scholars choose their own courses and their places of study but it is incumbent on them, once they have received their Marshall Scholarship award, to be accepted by a university for the course of their choice. Marshall Scholars must be US citizens and have achieved a first degree of a high academic standard.

Scholars are recruited on a regional basis via the British Embassy and UK consulates in the US. The selection process is merit based but selectors are charged with ensuring each cohort is as diverse in ethnic, gender, social and economic terms as possible.

**Q6: Is there any quid pro quo scheme which sponsors British students to attend American universities? If so what are its conditions and scale?**

A6: The Marshall programme was specifically designed to bring US graduates to the UK and was never intended to be reciprocal. However UK graduates study in the United States on a range of other programmes, including the Fulbright programme (42 scholars in 2017-18) and the Kennedy Scholarships (eight in 2017-18).

**Background**

We welcome the opportunity to provide further information to the Committee on the Marshall Aid Commemoration Commission (MACC) scholarship programme and our reasons for legislating to increase scholar numbers to up to 50 in the next five years.

The programme was established in 1953 by an Act of Parliament as an expression of UK gratitude to the people of the United States for our share of the US Marshall Aid programme which played a key role in funding the post-war reconstruction of Europe. However the programme has since become an important tool for sustaining the US-UK bilateral relationship. Scholars are chosen on the grounds that, whatever their background, they can demonstrate a high degree of academic ability and also the potential to be leaders in their chosen fields. The programme aims to give them, in addition to the opportunity to study at a top UK university, as broad an experience as possible of the UK, its values, way of life, culture and people. In return, we expect them to act as ambassadors for the UK and the UK-US relationship on their return home.

The 1,900 strong Marshall alumni body (the Association of Marshall Scholars or AMS) which counts nearly every living alumnus/a amongst its members includes two US Supreme Court justices, Pulitzer prize winners, and leaders in science,
innovation, the public service and academia. This affords the UK influence and access to key policy makers.

**Purpose of the Order**

The catalyst for the proposal in the Order to increase the maximum possible number of scholarships to 50 has been a request from the Commission, reflecting its belief that it can attract third party funding to make extra awards beyond 40. Therefore, any increase in scholarships beyond 40 will reflect their success in doing so. That this is possible arises from HMG’s renewed commitment to the Programme and the positive ripple effect this has had in the wider Marshall community. It is a postgraduate scheme which fits in to HMG’s wider agenda of international scholarship provision, which in turn has played to the UK’s strength in higher education.

Many Marshall alumni also go on to invest financially in the UK. According to alumni surveys, 45 percent of Marshall Scholars have donated to or invested in the UK. Two alumni, Bill Janeway and the late Ray Dolby, have donated £85 million to Cambridge University.

The Commission itself consists of ten distinguished members drawn from a range of disciplines including business, the professions and academia. Members are appointed by the Foreign Secretary after a competitive selection process and are unpaid (apart from limited travel expenses). The Commission has no premises or staff of its own: its administration is subcontracted to the Association of Commonwealth Universities which supplies a Secretariat consisting of two full time staff.

It is widely accepted that in the context of Brexit, the UK will need to use every lever available to us to look outward and strengthen our most important bi-lateral relationships. We believe that the Marshall programme plays a small, but vital role in this.

**FCO Scholarship Unit**

8 December 2017
APPENDIX 2: INTERESTS AND ATTENDANCE

Committee Members’ registered interests may be examined in the online Register of Lords’ Interests at http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests. The Register may also be inspected in the Parliamentary Archives.

For the business taken at the meeting on 12 December 2017, Members declared no interests.

Attendance:
The meeting was attended by Baroness Blackstone, Baroness Finn, Lord Goddard of Stockport, Lord Haskel, Lord Janvrin, Lord Kirkwood of Kirkhope, Lord Sherbourne of Didsbury, Lord Trefgarne and Baroness Watkins of Tavistock.