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**PARLIAMENTARY DEBATES**  
**(HANSARD)**

# **HOUSE OF LORDS**

## **WRITTEN STATEMENTS AND WRITTEN ANSWERS**

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<b>Earl Howe</b>	Minister of State, Ministry of Defence and Deputy Leader of the House of Lords
<b>Lord Ahmad of Wimbledon</b>	Parliamentary Under-Secretary of State, Home Office and Department for Transport
<b>Baroness Anelay of St Johns</b>	Minister of State, Foreign and Commonwealth Office
<b>Baroness Altmann</b>	Minister of State, Department for Work and Pensions
<b>Lord Ashton of Hyde</b>	Whip
<b>Lord Bates</b>	Minister of State, Home Office
<b>Lord Bridges of Headley</b>	Parliamentary Secretary, Cabinet Office
<b>Lord Bourne of Aberystwyth</b>	Parliamentary Under-Secretary of State, Department of Energy and Climate Change, Wales Office and Whip
<b>Baroness Chisholm of Owlpen</b>	Whip
<b>Earl of Courtown</b>	Whip
<b>Lord Dunlop</b>	Parliamentary Under-Secretary of State, Scotland Office
<b>Baroness Evans of Bowes Park</b>	Whip
<b>Lord Faulks</b>	Minister of State, Ministry of Justice
<b>Lord Freud</b>	Minister of State, Department for Work and Pensions
<b>Lord Gardiner of Kimble</b>	Deputy Chief Whip and Spokesman for Department for Environment, Food and Rural Affairs
<b>Lord Keen of Elie</b>	Advocate-General for Scotland
<b>Lord Maude of Horsham</b>	Minister of State, Department for Business, Innovation and Skills and Foreign and Commonwealth Office
<b>Lord Nash</b>	Parliamentary Under-Secretary of State, Department for Education
<b>Baroness Neville-Rolfe</b>	Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills and Department for Culture, Media and Sport
<b>Lord O'Neill of Gatley</b>	Commercial Secretary to the Treasury
<b>Lord Prior of Brampton</b>	Parliamentary Under-Secretary of State, Department of Health
<b>Baroness Shields</b>	Parliamentary Under-Secretary of State, Department for Culture Media and Sport
<b>Lord Taylor of Holbeach</b>	Chief Whip
<b>Baroness Verma</b>	Parliamentary Under-Secretary of State, Department for International Development
<b>Baroness Williams of Trafford</b>	Parliamentary Under-Secretary of State, Department for Communities and Local Government
<b>Viscount Younger of Leckie</b>	Whip

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# Written Statements

*Tuesday, 1 March 2016*

## BBC: Governance and Regulation

[HLWS550]

**Baroness Neville-Rolfe:** My Hon. Friend the Secretary of State for Culture, Media and Sport has made the following Written Ministerial Statement.

On 16 September 2015, as part of the Charter review process, I announced an independent review into the Governance and Regulation of the BBC.

I am pleased today to announce the publication of the Report for the Review of the Governance and Regulation of the BBC. This review has been independently led on behalf of the Government by Sir David Clementi, to whom I would like to record my thanks for his excellent work in considering this important issue.

The Review is now completed and has been laid before the House today. A copy of the Report has been deposited in the libraries of both Houses.

The review is also available at:

<http://www.gov.uk/government/publications/a-review-of-the-governance-and-regulation-of-the-bbc>

On 16 July 2015, as part of the Charter review process, I also announced a consultation on the future of the BBC. The consultation ran from 16 July 2015 to 8 October 2015 and received 192,564 responses.

I am pleased to announce the publication of the report summarising these consultation responses and I confirm that this report will be laid before the House today. A copy of the report will be deposited in the libraries of both Houses.

The report is also available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/504099/BBC\\_Charter\\_Review\\_Public\\_Consultation-Summary\\_of\\_Responses.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504099/BBC_Charter_Review_Public_Consultation-Summary_of_Responses.pdf)

The Statement includes the following attached material:

Governance and Regulation of the BBC [Review of Governance and Regulation of the BBC- Final.pdf]

The material can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2016-03-01/HLWS550/>

## GCSE/A-levels

[HLWS549]

**Lord Nash:** My honourable friend the Minister of State for Schools (Mr. Nick Gibb) has made the following Written Ministerial Statement.

We are reforming GCSEs, AS and A levels to make sure that they provide students with the best possible preparation for further and higher education, and for employment. We want new GCSEs to set expectations which match those of the best education systems in the

world, with rigorous assessment that provides a reliable measure of students' achievement. The reforms are extensive and represent a new qualification gold standard.

Schools are now teaching some of the new reformed GCSEs and A levels, and we have already published reformed subject content for those GCSEs and A levels to be taught from September 2016. Content for [reformed GCSE subjects](#) and for [AS and A level subjects](#) can be found on Gov.uk

The new GCSEs will be more academically demanding and reformed AS and A levels will better prepare students for undergraduate study.

Today I am publishing revised subject content for the final group of GCSEs and AS and A levels that will be taught in schools from September 2017:

- physical education short course GCSE,
- GCSE sociology, and
- AS and A levels in geology, politics and statistics.

Physical education GCSE short course represents half the content of the revised PE GCSE that was published in January 2015. Like the full course, demand has increased with a greater emphasis on theory and use of data. Students will also have the opportunity to develop and demonstrate practical skills and will be assessed in one team and one individual sport/activity.

The more demanding sociology GCSE requires students to develop an understanding of the classical theorists and how their ideas have contributed to the development of current sociological orthodoxies. They will compare and contrast competing theoretical approaches to explain society, drawing connections between the different topic areas, and students will now be required to read and respond to extracts from classic and contemporary sociological texts.

Geology AS and A level content requires students to take a more quantitative and mathematical approach to the study of geology. New content includes the study of geochemistry, the role of fluids in geology, engineering geology and geohazard risk analysis. Fieldwork remains a key part of the subject, and students will carry out relevant and meaningful fieldwork activities that will be assessed across a full range of practical competencies, developed with HE stakeholders, in order to prepare them for further geological study.

The final content for politics AS and A level requires all students to understand a fourth political idea, in addition to their study of conservatism, liberalism and socialism. Students will choose from feminism, multiculturalism, anarchism, nationalism or ecologism, and know and understand the core principles and features of these ideas. As part of this they will study the work of a diverse list of political thinkers who have contributed to each idea. Following consultation we have revised the list of political theorists to make sure that female thinkers are appropriately represented. At A level, students will choose between a comparative study of USA and UK politics and Government, which now includes

understanding different approaches to comparative politics, or a study of global politics.

The reformed statistics AS and A level requires students to study the statistical enquiry cycle and to perform key statistical calculations such as Bayes' theorem and one and two sample non-parametric tests. Students will be required to know and use fundamental formulae, for example to determine the Poisson probability formula and analysis of variance. New content has been added, such as choosing the appropriate hypothesis test to carry out in particular circumstances and calculating the risk of a type II error.

### Higher Education Student Support

[HLWS552]

**Baroness Evans of Bowes Park:** My hon Friend the Minister of State for Universities and Science has today made the following statement.

Today I am announcing that the Government is increasing the residency requirement for EU nationals before they can access Higher Education student living cost support.

In England, EU nationals and their families are able to apply for a tuition fee loan and be charged the "home" rate of fees to attend Higher Education. This mirrors provisions available to UK students wishing to study abroad in other EU countries. To access student finance, EU nationals need to have been resident in the European Economic Area or Switzerland for the three years prior to the first day of the first academic year. EU nationals who have been resident in the UK, Channel Islands and Isle of Man for three years can also apply for support for their living costs.

The Higher Education student support budget is under pressure from increasing numbers of applicants from the EU and the Government is taking steps to manage the burden on the taxpayer.

The Government is therefore increasing the residency requirement that EU nationals must meet in order to be eligible for living cost support. EU nationals that start their courses in the 2016/17 academic year onwards will be required to demonstrate five years' residency in the UK, Channel Islands and Isle of Man. This change will come into effect for applications submitted to the Student Loans Company after the amending regulations have come into force later this month. Students who are already studying will not be affected by these changes.

This change will bring us more into line with the rules set by other EU countries including Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands and Sweden who generally require five years' residency in the home country before students become eligible for living cost support. The recently published Student Loan Repayment Strategy will help to ensure all borrowers repay what is due.

The increased residency requirement will not apply to UK nationals to whom the existing three year residency

rule will continue to apply. EEA migrant workers and their family members are also not affected by this change.

I am grateful to those who responded to the consultation, and whose comments helped us carefully consider the implications of our proposals.

### Housing

[HLWS546]

**Lord Freud:** In the Autumn Statement 2015, we announced that when assessing eligibility for Housing Benefit and Universal Credit that Local Housing Allowance rates would be applied to all social rents from April 2018, where tenants had signed new or re-let tenancies from 1 April 2016.

I am able to announce today that the Government will put in place a year-long exception for all tenants of supported accommodation in the social sector so that this measure will only apply to these tenancies from April 2017, rather than April 2016. As examples, this will include refuges for those fleeing domestic abuse, homeless provision, housing for ex-offenders, as well as supported housing for older and disabled people. I can also confirm that the one year exception will extend to housing co-operatives, alms houses and Community Land Trusts.

I am doing this because I understand the importance of ensuring that both those living in supported accommodation and those who provide this type of accommodation receive appropriate protections. This is why we are awaiting the outcome of a Supported Accommodation research project and subsequent policy review, to ensure support is focused on the most vulnerable, and appropriate groups are safeguarded. I consider it important to have evidence to support any decisions made, before determining the level of any protections for this cohort beyond April 2017.

I will write to social landlords and provide guidance that will allow them to advise people taking on new and re-let tenancies from either April 2016 or April 2017 (for supported accommodation) as to how they may be impacted.

### Investigatory Powers Bill

[HLWS553]

**Lord Bates:** My rt hon Friend the Secretary of State for the Home Department (Theresa May) has today made the following Written Ministerial Statement:

I have today introduced the Investigatory Powers Bill. This important piece of legislation will provide a new framework to govern the use and oversight of investigatory powers by law enforcement and the security and intelligence agencies. The enhanced privacy safeguards, which are at the heart of the Bill, protect not only sensitive professions but the public at large.

The Investigatory Powers Bill will transform the law relating to the use and oversight of these powers. It will

strengthen safeguards and introduce world-leading oversight arrangements. The Bill does three things:

- First, it brings together all of the powers already available to law enforcement and the security and intelligence agencies to obtain communications and data about communications. It will make these powers – and the safeguards that apply to them – clear and understandable.
- Second, the Bill radically overhauls the way these powers are authorised and overseen. It introduces a ‘double-lock’ for interception warrants, so that, following Secretary of State Authorisation, these – and other warrants – cannot come into force until they have been approved by a judge. And it creates a powerful new Investigatory Powers Commissioner (IPC) to oversee how these powers are used.
- Third, it ensures powers are fit for the digital age. The Bill makes provision for the retention of internet connection records (ICRs) in order for law enforcement to identify the communications service to which a device has connected. This will restore capabilities that have been lost as a result of changes in the way people communicate.

Last year, three comprehensive reviews were conducted into the use of investigatory powers. Those reviews, carried out by David Anderson QC, the Independent Reviewer of Terrorism Legislation, the Intelligence and Security Committee of Parliament (ISC), and a panel convened by the Royal United Services Institute (RUSI), agreed that the use of these powers will remain vital to the work of law enforcement and the security and intelligence agencies in the future. But they also agreed that the current legislation needed reforming. Collectively they proposed important changes to the way these powers are overseen and recommended the introduction of consistent safeguards and greater openness. These proposals provided the basis for the legislation being brought forward today.

In November 2015 the Government published a draft Bill for pre-legislative scrutiny. The provisions in the draft Bill were considered by the House of Commons Science and Technology Committee, the Intelligence and Security Committee of Parliament and by a Joint Committee of both Houses of Parliament convened to scrutinise the draft Bill.

The Government is grateful to the three Committees for their thorough and comprehensive scrutiny of this Bill. Their efforts have assisted us in enhancing safeguards and refining technical aspects. The revised Bill we are introducing today is both clearer and stronger in protecting privacy.

Between them, those Committees received a significant body of written evidence and heard from Government, industry, civil liberties groups and many others. The revised Bill, along with the further explanatory material that we are publishing, reflects the majority of the recommendations made by the three Committees. I am publishing a Command Paper alongside this Bill which

sets out the Government’s response to the three Committees and provides a guide to the Bill, setting out clearly how the draft Bill responds to their recommendations.

We have taken significant steps to address the common themes across the three reports. In particular:

- We have responded to the Committees’ call for greater clarity by producing a much clearer Bill. We have refined technical definitions and are publishing additional material alongside the Bill to explain how the powers in the Bill will be used and why they are needed.
- The privacy safeguards are stronger and clearer. The Bill incorporates additional protections for journalists, removing a key exemption for the security and intelligence agencies when seeking to identify journalists’ sources. And it incorporates statutory protections for lawyers.
- In response to recommendations from the Joint Committee and the Science and Technology Committee, we will continue to work closely with industry to develop implementation plans for retaining internet connection records.

In response to the Committees’ detailed recommendations, the Bill incorporates significant changes, including:

- Strengthening the office and powers of the Investigatory Powers Commissioner, giving the Lord Chief Justice a role in his or her appointment, making it harder to remove him or her from office, providing statutory powers for direct access to the agencies’ IT systems, and allowing for the Commissioner to inform people who have suffered as a result of the inappropriate use of powers.
- Introducing new safeguards for interception warrants, reducing the period of time within which a Judicial Commissioner must approve urgent interception (and Equipment Interference) warrants and putting in place new statutory safeguards to prevent agencies asking overseas partners to undertake interception in the absence of a warrant.
- Clarifying the provisions in the Bill relating to the obligations that may be placed on Communication Service Providers, including amendments to the Bill to put beyond doubt that companies can only be asked to remove encryption that they themselves have applied (or has been applied on their behalf by a third party), and that they will not be asked to remove encryption where it is not practicable for them to do so. The accompanying Codes of Practice also make clear that a warrant can only be served on a person who is capable of providing the assistance required by the warrant, and that the duty to comply with the warrant can only be enforced against a person who is capable of complying with it.

Where we have not been able to accept the Committees’ recommendations, our response to the Committees



explains the good reasons for not accepting them. In particular:

- We will continue to use ‘economic well-being’, where it is linked to national security, as a purpose for which some of these powers can be used. That is in line with the statutory purposes of the intelligence agencies and relevant European Directives.
- We also preserve bulk equipment interference warrants. This is a key operational requirement for GCHQ. We have published a public case for the use of bulk powers which sets out why this power remains necessary.

To assist Parliament in scrutinising the Bill, and at the recommendation of the Joint Committee, the Government is publishing today drafts of six statutory codes of practice that will be made under the Bill. These address many of the Committees’ recommendations by providing details of how the powers and obligations will work in practice. The codes will be approved by Parliament and will have statutory force.

The Government has also heeded comments that we must go further in making the case for the bulk powers provided for in the Bill. I firmly believe bulk powers are a vital part of this Bill. As those who wish to do us harm grow ever more sophisticated in circumventing the reach of law enforcement and the security and intelligence agencies, we must provide them with the powers they need to keep up and keep us safe. The bulk powers in this Bill provide essential capabilities needed to detect threats to the UK and its interests. But it is right that Parliament has a chance to debate these powers and that the public understands what the law permits with regards to their personal data.

In response to the recommendation of the Joint Committee, the Government is publishing alongside the Bill an operational case for bulk powers. This sets out in more detail than ever before why the agencies need these powers, examples of how they are used, and the safeguards that will govern their use under the Bill. We have also updated the published case for Internet Connection Records to reflect that we are accepting the Joint Committee’s recommendation that, where necessary and proportionate, the purposes for which law enforcement may seek to access ICR should be expanded to include information about websites accessed beyond those related to communications services and illegal material.

The Joint Committee recommended that the Bill should provide that a specially constituted joint committee of the two Houses should conduct a post-legislative review of the legislation after five years’ operation. It is not possible to bind Parliament in statute to take such action so instead, the revised Bill addresses the recommendation by requiring the Secretary of State to consider any report which may have been made by a joint select committee. However, it is right that such scrutiny should take place and the Government is committed to taking all steps within its power to ensure that it does.

The Government is not seeking sweeping new powers. Rather the Bill ensures that the security and intelligence agencies and law enforcement continue to have the powers they need to keep us safe against a backdrop of an increasingly complex, serious and unpredictable threat. The Bill provides the public and Parliament with greater confidence that there are robust measures in place to ensure that the powers are subject to world-leading safeguards.

The new legislation needs to be in force by 31 December 2016. During the parliamentary passage of the Data Retention and Investigatory Powers Act 2014, some suggested that the sunset clause should be brought closer and therefore that new legislation should gain Royal Assent sooner. This would have resulted in substantially less time for public debate and scrutiny in Parliament.

I explained then that it was vital that sufficient time was given to examine these important powers, and Parliament agreed that approach. I subsequently set out a timetable for new legislation on the publication of David Anderson’s report, committing to publish draft legislation in the Autumn and to bring forward a final Bill in the Spring. By introducing the Bill now, we are ensuring that this important piece of legislation will be subject to full and thorough scrutiny by both Houses of Parliament, following the normal Parliamentary timetable.

## National Wildlife Crime Unit

[HLWS547]

**Lord Gardiner of Kimble:** My Hon Friend the Parliamentary under Secretary of State (Rory Stewart) has today made the following statement.

The National Wildlife Crime Unit is a specialist unit dedicated to tackling wildlife crime, playing an important role in wildlife law enforcement both at home and internationally. It provides intelligence and direct assistance to individual police forces and other UK law enforcement agencies, including providing specialist support that allows warranted Officers to investigate wildlife crime. The Unit also acts as the UK policing focal point for EUROPOL and INTERPOL activity on all wildlife crime related matters, and works in partnership with non-governmental agencies across the UK committed to tackling wildlife crime.

Following the Spending Review 2015, Defra and Home Office Ministers have been considering the level of government funding for the National Wildlife Crime Unit beyond March 2016.

In recognition of the important contribution the Unit makes to tackling wildlife crime, both at home and abroad, I can confirm that Defra and Home Office Ministers have agreed that their respective departments will each provide the Unit with funding of £136,000 a year for the next four financial years. This will give the Unit significant financial stability and enable their vital work to continue until at least 2020. Those contributions will be in addition to the funding central Government

provides to police forces in England and Wales to tackle all types of crime (including wildlife crime).

In addition, Defra will provide the Unit with up to £29,000 a year over the next four years for specific work to tackle wildlife crime conducted online, as a developing area of global criminal activity.

Government funding for the National Wildlife Crime Unit jointly provided by Defra and the Home Office up to March 2020, including additional support from Defra to tackle online wildlife crime, will total £ 1.204 million.

## Open and Transparent Government

[HLWS548]

**Lord Bridges of Headley:** My Right Honourable friend the Minister for the Cabinet Office and Paymaster General (Matthew Hancock) has made the following Written Ministerial Statement:

This Government is committed to making government more transparent, so taxpayers can hold the state to account both on how their money is being spent and how decisions are made which affect their lives.

The Freedom of Information Act is one of the pillars on which open government operates. We are committed to supporting the Act. Yet after more than a decade in operation, it is appropriate to review, in the whole, how it has operated in practice, and establish how its mechanisms could be improved.

Consequently, in July 2015, we established an independent, cross-party Commission on Freedom of Information. The Commission has now submitted its report. Given the keen public and media interest in the report, we are promptly publishing it alongside our preliminary views on its recommendations.

We are very grateful to the Commission for its thorough and thoughtful work in this significant and complex area. The Commission's review has attracted considerable interest and should be commended for an even-handed approach to gathering evidence from across a very broad spectrum. This approach is reflected in the balanced set of measures put forward in the report.

The Commission makes 21 specific recommendations. It notes that whilst some of its recommendations require legislation, other improvements can be made without legislative change. The Government's views on some of the most salient recommendations are as follows:

**Charging for Freedom of Information requests:** The Government agrees with the Commission's view that it is not appropriate to introduce fees for requests, over and above the existing narrow circumstances in which a requestor can be currently charged for disbursement costs. We appreciate that some public authorities are concerned by the burdens imposed on them by the Act and the associated costs. However, the introduction of new fees would lead to a reduction in the ability of requesters, especially the media, to make use of the Act. We believe that transparency can help save taxpayers' money, by driving out waste and inefficiency.

**The Cabinet veto:** The Commission recommends the introduction of a narrower and more limited veto provision. The Government agrees with the Commission's analysis that Parliament intended the executive to be able to have the final say as to whether information should be released under the Act. In line with the Commission's thinking, the Government will in future only deploy the veto after an Information Commissioner decision. On the basis that this approach proves effective, we will not bring forward legislation at this stage.

**Updating practice guidance :** The Government agrees with the Commission's recommendations to review the operation of Section 45 of the Act to ensure that the range of issues on which guidance can be offered to public authorities under the Code of Practice is sufficient and up to date. Public authorities should have sufficient guidance and advice properly to manage information access requests and to continue the Government's mandate of being the most transparent Government in the world. This does not require legislation.

**Publication of Freedom of Information Statistics :** The Cabinet Office already publishes detailed statistics on a quarterly and annual basis on the operation of the Act within central government. It is important that other public authorities should be similarly transparent. We know that many other organisations already publish such data, but this does not happen consistently. The publication of such data not only provides accountability to the public, but allows the Information Commissioner to identify and target poorly performing public authorities more effectively. We will therefore issue guidance in the revised Section 45 Code of Practice to set a standard that public authorities with 100 full time equivalent employees or more should publish such information.

**Public interest and risk assessments :** Noting that the Commission did not provide a formal recommendation regarding risk assessments, the Government agrees with the Commission's analysis that considering the public interest remains the best way to assess whether specific risk assessments should be released. This will allow the important balance between providing robust protection for sensitive information and transparency to be maintained.

**Handling vexatious requests :** The Commission's recognises the difficulty that genuinely "vexatious" requests can place on public authorities. We agree with the recommendation of improved guidance, via a revised Code of Practice, to allow public authorities to use section 14(1) in the rare cases where it is necessary and appropriate. The exercise by citizens of legal rights also brings with it responsibilities – and access to information rights should not be abused to cause distress or a means of harassment. Equally, the "vexatious" designation is not an excuse to save public officials' embarrassment from poor decisions or inappropriate spending of taxpayers' money. This will not require legislation.

**Greater transparency on pay and perks of senior staff :** The Commission recognises the advances that have been made to increase transparency about senior executives' pay and benefits. Further steps will be taken to ensure this

transparency is delivered across the whole public sector. The default position should be that such information from all public bodies is published; that the public should not have to resort to making Freedom of Information requests to obtain it, and data protection rules should not be used as an excuse to hide the taxpayer-funded payments to such senior public sector executives. We will now consider what additional steps should be taken to address any gaps in published information, and in particular in relation to expenses and benefits in kind as recommended, including more broadly than at present.

The Government will carefully consider the Commission's other recommendations.

The Government has already demonstrated our commitment to openness through the publication of around 23,000 datasets on [data.gov.uk](http://data.gov.uk). We are proud of the recognition we have received as the world's leading country on open data through the World Wide Web Foundation's Open Data Barometer. Our next Open Government Partnership National Action Plan, to be published later this year, will set stretching new commitments to take UK transparency further.

A copy of the Commission's report is being placed in the Libraries of both Houses, and will be published online on [gov.uk](http://gov.uk).

The Statement includes the following attached material:

Independent Commission on FoI Report [Report - Final\_print.pdf]

The material can be viewed online at:  
<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2016-03-01/HLWS548/>

## Security of Supply and the Capacity Market

[HLWS551]

**Lord Bourne of Aberystwyth:** I wish to set out the Government's intention for reforms to the way we secure electricity capacity for future years, to ensure a secure, affordable supply in the short and longer terms. In laying this statement before Parliament, I am also setting out the Government's policy intent to make changes to our policy on the Capacity Market and the corresponding Electricity Capacity Regulations 2014 and the Capacity Market (Amendment) Rules 2014.

### *Security of supply - the context*

Delivering energy security is the number one priority for DECC. Maintaining the secure electricity supplies that hard-working families and businesses across the country can rely on is our key objective. We face a legacy of years of underinvestment which has left us more open to the risk of any quickening in the pace of plant closures. To address this we need to start building new capacity now, especially gas, to guarantee our energy security in the 2020s.

At the same time, the huge movement in global commodities prices during 2015 has lowered consumers' energy costs but has made generating power unprofitable for most non-renewable plant. Thermal generators are experiencing lower utilisation levels as a result of

increasing renewable capacity and coal plant, in particular, are facing large losses. In consequence, we have seen several closures announced and other plant may be at risk. We therefore need decisive action now to ensure energy security.

Our principal existing security of supply tool is the Capacity Market (CM). Two CM auctions have now been held, for delivery in 2018/19 and 2019/20 respectively. Whilst, given the target levels that were set, the auctions procured relatively little new capacity, both auctions went smoothly and secured capacity at very low prices for consumers.

### *Capacity Market Review*

As a result we have been reviewing the CM mechanism to ensure it remains fit for the purpose of bringing forward the new capacity we need, particularly gas plant, as older plant such as coal come off the system.

The clear message from industry and investors that we have heard as part of the review is that the mechanism retains their confidence; is the best available approach to our long-term security of supply; and that regulatory stability is of crucial importance. At the same time, we have heard clear concerns that we must do more to protect against delivery risks; that we need to tighten the incentives on those with agreements to honour those agreements; and ensure that the full range of delivery risks are accounted for in our procurement decisions; and that we must avoid the risk of under-buying, or buying too late - which would mean that new plant had insufficient incentive to come forward. The overarching message has been that the volume of capacity procured needs to rise and the clearing price needs to increase as a result in order to provide the appropriate incentives for the market to bring forward new gas capacity.

We have reflected on these messages, and agree with them. We are therefore now proposing a plan of reform for the CM in three important respects:

- Buying more capacity, and buying it earlier. We will expect the next CM "T-4" auction in December 2016 to buy materially more capacity than might otherwise have been the case;
- Tightening delivery incentives on those who have agreements to deliver against them and to penalise those who renege more severely;
- Tackling how wholesale prices impact in the short term on energy security, holding a new auction to bring forward the first CM delivery year to 2017/18. We propose to hold a new one-year ahead auction this coming winter for delivery in winter 2017/18.

### *Buying more capacity, and buying it earlier*

We need to buy more capacity, and buy it earlier, in order to manage the increased risks we face in the next decade as we transition away from coal and as older plant close. The precise target for the next (December 2016) four-year ahead CM auction will not be set until summer, once Government has had the chance to review detailed recommendations from National Grid. But we have been discussing with them, and with our own Panel of



Technical Experts (PTE), the range of factors which it is appropriate to take into account. It is clear from these discussions that the incorporation of a new sensitivity to reflect these increased non-delivery risks will be recommended. We would expect this as a minimum to lead to an increase in the target volume of around 1GW, and we will be seeking expert advice on whether it should be higher. We will also consider whether it is appropriate to cover for a more extreme cold winter scenario.

We are also likely to bring forward much of the target procurement to the four year ahead auction, that we might otherwise leave until one year ahead. In previous auctions we have set aside 2.5GW for purchase at the one-year ahead “T-1” stage, but purchasing more of our estimated requirement earlier should help new plant such as gas participate to meet those requirements.

Of course, the *precisetarget* will be set in the light of all the evidence available at the time, including crucially an updated value for money analysis. There could for example be trade-offs in purchasing capacity early, which may hedge against risk and allow new resources to compete, but which brings with it some risk of over-procurement if demand subsequently shifts. Nonetheless, taken together, we would expect the next auction to purchase significantly more capacity – perhaps over 3GW more - than would otherwise have been the case. And, of course, if it becomes clear that plant which already have capacity agreements for the 2020/21 delivery year will fail to make good on their agreements, then we would expect to re-buy that capacity too from other sources.

We are confident that a healthy pipeline of robust baseload and peaking gas projects stands ready to take advantage of the opportunities we are creating, and that the revised CM will deliver the new plant we need. Consultation suggests that, provided the CM is reformed in the way described, there are few if any other barriers to these projects coming through to fruition – but the Government will continue discussions with developers and investors to ensure that no unnecessary barriers exist to bringing forward an appropriate mix of plant.

#### *Tightening delivery incentives*

It is crucial for our security of supply that, when companies take on an obligation to deliver, they then make good on that commitment. If they do not, it creates shortfalls in capacity that need to be filled, putting our security of supply unacceptably at risk. It is also potentially unfair to other bidders who would have been able to secure agreements. For this reason we need a robust system of checks both on new build projects, to ensure that they are on track to deliver by the delivery year, and on existing plant to ensure that they honour their agreements. At the same time, it is important that our requirements and sanctions regime are not so punitive that legitimate projects are dissuaded from participating in the first place.

We consulted in October on a range of potential new requirements to tighten the assurance regime around new build projects. In the light of responses, we are now

implementing a number of these proposals – including a ban on failed projects from participating in future auctions, increased monitoring and reporting milestones, and potential increases in credit cover for projects who cannot demonstrate sufficient progress by the 11-month stage. Taken together, and on top of the existing requirements, these should materially increase the incentives on projects to have robust delivery plans in place from an early date and, if they are to fail, encourage them to fail early, allowing more time for National Grid to seek alternative sources of supply.

However, we also heard evidence that one of our original proposals, for a system of pre-auction finance tests linked to auction bids, could act as a barrier to entry for robust independent projects. We take these concerns seriously, and are therefore not proposing to implement these proposals now as they stand. Instead, we are now inviting views on an alternative suggestion, that credit cover for all new projects should be increased at the pre-auction stage.

At the same time, we are taking the opportunity to consult on higher termination fees for existing plant who renege on agreements, to ensure that they fulfil their commitments.

#### *Holding a new auction to bring forward the first CM delivery year to 2017/18*

The reforms outlined above will mean that the CM can guarantee our security of supply now and in the future. But we also need to take decisive action in the shorter term.

National Grid has a firm plan in place to take the actions needed to maintain our margins this coming winter and the Contingency Balancing Reserve (CBR) supports them in balancing the system in light of tightening margins. But the price of securing reserves of this sort has been increasing in recent years; and it has always been recognised that a reserve, if allowed to grow too large, can cause distortion in the market.

We therefore propose to bring forward the start of the CM delivery period by a year, by holding an auction this coming winter (likely to be in January 2017) for delivery one year ahead, in winter 2017/18. This auction would purchase 100 percent of CM requirement for that year – in other words, while its structure and timings will be similar to the T-1 auction, it will procure our full capacity requirement, not just a top-up. This will provide assurance for the 2017/18 year and enable the CBR to be closed for that year as it is replaced by the CM. Ofgem have said that they expect the need for the CBR to disappear once the CM is in place.

This Government has promised to remove distortion and interventions from the market. We recognise that although the CBR has safeguarded our energy security, it increasingly risks doing so at the cost of distorting investment and plant closure decisions. By introducing the CM early, we allow the market to operate better earlier with less price volatility and uncertainty – a more efficient way of delivering energy security.

### *Diesel*

Finally, we have heard a number of complaints that diesel engines have unfair advantages in the CM due to how they are treated in the main energy market. We think there may be merit in these concerns, and reasons why it could be hoped, but also expected, that diesel will play a smaller role in future.

There are concerns over the potential impact on local air quality. The CM is technology neutral, and as such any type of technology is allowed to participate provided it is otherwise in compliance with relevant legislation – so it would not be appropriate to set specific emission limits within the CM eligibility criteria. However, Government is not complacent, and plans to take swift and appropriate action to avoid any disproportionate impact on air quality from diesel engines via new environmental legislation introducing appropriate emission limit values for air pollutants for new generators, where these could significantly contribute to harmful levels of air pollutants and the exceeding of air quality limit values.

Defra will consult later this year on options which will include legislation that would set binding emission limit values on relevant air pollutants from diesel engines, with a view to having legislation in force no later than January 2019, and possibly sooner. These limits would apply to generators or groups of generators with a rated thermal input equal to or greater than 1 MW and less than 50 MW<sup>[1]</sup> - irrespective of their number of hours of operation during any given year.

Small distribution-connected generators are receiving increasing revenues from “embedded benefits” which include avoided transmission network charges. Some of this is justified because they offer system benefits such as avoided network reinforcement costs. However Ofgem has previously expressed concerns that these arrangements are not fully cost reflective; and hence “embedded benefits” may over-reward distribution-connected generators such as diesel reciprocating engines. Moreover, the proportion of generation connected at distribution level is increasing and so is the impact of flows from the distribution network on the transmission network.

Ofgem is therefore concerned that these charging arrangements could be having an increasing impact on the system, including distorting investment decisions and leading to inefficient outcomes in the CM. Ofgem is therefore reviewing whether it would be in consumers’ interests to change the charging arrangements for distribution-connected generators. Ofgem will set out their conclusions and a proposed way forward on this matter, potentially including initiating changes to the charging regime, in the summer. Ofgem will need to consider carefully how and when any changes should be implemented, including whether any transitional arrangements are required, and will aim to provide clarity on their direction of travel before prequalification for the next CM auction.

### *Consultation*

Implementation of the policy positions outlined above requires a variety of regulatory and non-regulatory action:

- Some changes we are now making to our delivery assurance regime reflect the outcome of a recent consultation. The consultation also discussed a number of other incremental improvements and simplifications to the CM design. I am publishing today the Government’s full position on the outcome of that consultation exercise.
- Some further changes to the delivery assurance regime and other areas and, crucially, the ability to hold the proposed additional auction for delivery in 2017/18, are discussed in a separate formal public consultation document I am publishing today.
- Changes to auction parameters, including the amount to procure, do not require new regulations. Instead they will be determined as usual by the Secretary of State, in the light of expert advice, in summer, before prequalification starts for the next auction. Specific proposals for the parameters (e.g. precise volume targets) are therefore not discussed in the documents I am publishing today, but the intention to purchase more capacity, and earlier, in that auction forms an important context when considering what I am announcing today as a whole.

<sup>[1]</sup> The existing Industrial Emissions Directive applies to 50MW+ generation

## **State Pension Age**

[HLWS545]

**Baroness Altmann:** I am pleased to announce, under section 27 (5) of the Pensions Act 2014, the appointment of John Cridland as the independent lead of the State Pension age review, which the Government will report on by May 2017.

John Cridland was most recently Director-General of the Confederation of British Industry (CBI). He is currently Chair of the Board of Transport for the North. He has previously helped to negotiate the UK’s first national minimum wage, spent 10 years on the Low Pay Commission and he was also a member of the Council of ACAS. He was awarded a CBE for services to business in 2006.

The purpose of the independent review is to make recommendations to the Secretary of State for Work and Pensions on factors to consider in arriving at future State Pension age arrangements. The recommendations should be affordable in the long term, fair to current and future generations of pensioners and consistent with supporting fuller working lives. The review will be forward looking and focussed on the longer term. It will not cover the existing State Pension age timetable up to April 2028 which are already legislated for.

I attach the Terms of Reference for the review to this statement, which will also be available later today on the [www.gov.uk](http://www.gov.uk) website.

The Statement includes the following attached material:

SPa independent review Terms of Reference [ToR - SPa  
Independent Review.pdf]

The material can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2016-03-01/HLWS545/>

## Written Answers

*Tuesday, 1 March 2016*

### Affinity Flying Training Services

*Asked by Lord Campbell of Pittenweem*

To ask Her Majesty's Government when the contract with Affinity Flying Services Limited to provide fixed-wing flying training will be fully operational. [HL6390]

**Earl Howe:** Full course capability for the fixed-wing flying training service will be achieved by the end of 2019.

### British Irish Intergovernmental Conference

*Asked by Lord Laird*

To ask Her Majesty's Government why there have been no meetings of the British-Irish Intergovernmental Conference since 26 February 2007. [HL6367]

**Lord Dunlop:** There have been no meetings of the British-Irish Intergovernmental Conference since 26 February 2007 largely because the scope of the BIIGC agenda is now much narrower, given the completion of devolution and the fact that the political situation is more stable. The Conference remains part of the architecture of the Belfast Agreement, but is no longer used as the significant forum it was in the past for interaction between the UK and Irish Governments.

Interaction between the governments of the UK and Ireland takes place regularly at all levels and in many different forums. These include an annual summit between the Prime Minister and the Taoiseach, and regular meetings between the heads of UK and Irish government departments.

*Asked by Lord Laird*

To ask Her Majesty's Government, further to the Written Answer by Lord Dunlop on 23 February (HL6044), why the answer did not answer parts 2, 3 and 4 of the question; and whether they will now do so. [HL6368]

**Lord Dunlop:** My written answer dated 23 February 2016 (HL6044) made reference to the Joint Communiqué of the meeting of 26 February 2007, a copy of which has been placed in the Library of the House. The Joint Communiqué provides the answers to parts 2 and 3 of the Noble Lord's original question (details of attendees and topics discussed).

In relation to part 4 of the original question, as previously advised no formal actions were listed following this meeting. The focus at the time was the drive towards devolution and the Conference urged all political leaders to act with courage and determination in order to attain this.

*Asked by Lord Laird*

To ask Her Majesty's Government, further to the Written Answer by Lord Dunlop on 23 February (HL6044), whether they will clarify whether the Conference held in 2007 was the final meeting of the British-Irish Intergovernmental Conference or its most recent meeting. [HL6369]

**Lord Dunlop:** The British-Irish Intergovernmental Conference remains part of the architecture of the Belfast Agreement and its most recent meeting was held in 2007. There are no plans to hold a meeting of the Conference in the immediate future.

Interaction between the UK Government and Irish Government takes place regularly at all levels and in many different forums. These include an annual summit between the Prime Minister and the Taoiseach, and regular meetings between the heads of UK and Irish government departments.

### Burma: Army

*Asked by Baroness Goudie*

To ask Her Majesty's Government whether any Burmese Army soldiers from Infantry Battalions 213 or 217 have received any form of training from the UK. [HL6250]

**Earl Howe:** I refer the noble Baroness to the answer given by my hon. Friend, the Minister of State for the Armed Forces (Penny Mordaunt MP), on 14 January 2016 to Question 21564, which stated that we do not provide combat training to the Burmese Army. We do however provide educational training, as well as English Language Training. We have no information to indicate that participants on these educational courses were Burmese Army soldiers from Infantry Battalions 213 or 217.

The Answer includes the following attached material:

Burma Armed Forces

[20160111\_21564\_Burma\_Armed\_Forces[1] PQ02335.docx]

The material can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2016-02-22/HL6250>

### Carbon Emissions

*Asked by Lord Hunt of Chesterton*

To ask Her Majesty's Government whether they will use their membership of UN agencies to establish relevant targets for reducing carbon emissions in (1) civil aviation, (2) shipping, and (3) agriculture and forestry, by 2020 as agreed at the Paris Climate Conference in 2015. [HL6364]

**Lord Bourne of Aberystwyth:** This Government is committed to tackling emissions from international aviation, international shipping and agriculture and forestry.

As inherently transnational in nature, international aviation and maritime emissions are regulated by the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) and are outside of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement. The UK is working through the ICAO and IMO to develop mechanisms which deliver emissions reductions, in line with the long term goal agreed in Paris of keeping average global temperature rise well below 2 degrees. In 2016, the ICAO is set to agree a global market based measure, to offset emissions post-2020. The UK government is engaged in this process.

The Government is also committed to tackling emissions from deforestation and forest degradation, and supporting the enhancement of forest carbon stocks (REDD+). The UK played a key role in the 2014 New York Declaration on Forests, which set ambitious targets for halving (by 2020) and halting (by 2030) the loss of natural forests and eliminating deforestation from the production of key agricultural commodities by 2020. The new UN Sustainable Development Goals, agreed in September 2015, also include targets to halt deforestation, sustainably manage and restore natural forests, and substantially increase afforestation and reforestation globally by 2020. At COP21 the UK endorsed a Leaders' Statement on Forests which recognised the importance of these goals, as well as the progress on REDD+ under the UNFCCC.

### Church Services: Republic of Ireland

*Asked by Lord Laird*

To ask Her Majesty's Government whether under the human rights arrangements within the Belfast Agreement 1998, they have raised or will raise the decision by the authorities in the Republic of Ireland to ban all Church of Ireland services in the centre of Dublin on Easter Sunday, and if they have raised this matter, what was the result. [HL6310]

**Lord Dunlop:** I am informed that the authorities in the Republic of Ireland have not banned all Church of Ireland services in the centre of Dublin on Easter Sunday but that there will be restricted access to the city centre on that day due to security measures being put in place around a planned Easter Rising Commemoration parade.

I understand that the Irish Government and An Garda Síochána are working closely with senior Church of Ireland representatives in order to facilitate worship at those churches in the area. This matter has not been raised under the human rights arrangements within the Belfast Agreement 1998.

### Equality: Northern Ireland

*Asked by Lord Laird*

To ask Her Majesty's Government, further to the Written Answer by Lord Dunlop on 27 January (HL5017) concerning equality and parity of esteem,

whether terrorists and members of the security forces who reside outside Northern Ireland do not have parity of esteem with those who reside there. [HL5531]

**Lord Dunlop:** The Government is committed to affording due respect and parity of esteem to all the people in Northern Ireland as underpinned by the 1998 Belfast Agreement and in accordance with the obligations on the Government to promote equality and prevent discrimination across the United Kingdom.

### Exhaust Emissions

*Asked by Lord Hunt of Chesterton*

To ask Her Majesty's Government what steps they are taking to establish targets in the UK to reduce carbon emissions produced by road and rail transport by 2020. [HL6365]

**Lord Ahmad of Wimbledon:** The Government has already set stretching legally binding carbon budgets, which will see a 50% economy wide reduction in emissions in 2025 compared to 1990 levels, on a path towards an 80% reduction by 2050, and is committed to ensuring the transport sector plays a full part in delivering the emissions reductions needed.

In December 2011, the Government published *Carbon Plan: Delivering our low carbon future*, setting out in a series of five-year carbon budget periods how we will meet the UK's legally binding carbon reduction targets.

The Government will set the level of the fifth carbon budget in June this year (for the period 2028 to 2032) and will publish the next Carbon Plan shortly afterwards.

### Special Educational Needs

*Asked by Lord Addington*

To ask Her Majesty's Government what is the minimum amount of special educational needs teaching required to fulfil the Teacher Standards of having "a clear understanding of the needs of all pupils, including those with special educational needs". [HL6406]

**Lord Nash:** The Teachers' Standards set a clear baseline of expectations for the professional practice and conduct of teachers and define the minimum level of practice expected of teachers in England.

Head teachers and other appraisers should use their professional judgement to assess teachers to a level that is consistent with what should reasonably be expected of a teacher given their role and level of experience and the specific demands of the setting in which they are working.

*Asked by Lord Addington*

To ask Her Majesty's Government how many times since 2006 government-commissioned reports have recommended that more teacher training is necessary in the field of special educational needs to satisfy the duty to meet the needs of pupils with special educational needs. [HL6407]



**Lord Nash:** All initial teacher training (ITT) courses must ensure that trainee teachers can meet the teachers' standards at the appropriate level. This includes having a clear understanding of the needs of all pupils, including those with special educational needs (SEN). Teachers must also be able to adapt teaching to the needs of all pupils and have an understanding of the factors that can inhibit learning and how to overcome them.

An independent review of ITT, carried out by Sir Andrew Carter, and published in January 2015, found that there is considerable variability in ITT course content across the system, and cites SEN among areas where there are gaps in a range of courses.

In response to the Carter Review, the Government has commissioned an independent working group made up of expert representatives from the sector, including an SEN specialist, to develop a framework of core ITT content. The group is expected to report to Ministers in spring 2016.

Further guidance on teacher's standards is available on GOV.UK.

### Unmanned Air Vehicles

*Asked by Lord Campbell of Pittenweem*

To ask Her Majesty's Government whether they intend to acquire Zephyr high-altitude unmanned aerial vehicles, and if so, for what purpose. [HL6389]

**Earl Howe:** As part of our commitment to providing next-generation battlefield intelligence capabilities to the UK Armed Forces, the Ministry of Defence has contracted for the demonstration of two Zephyr Unmanned Aerial Vehicles. This contract will allow the

UK to understand whether Zephyr can fulfil the requirement for high-altitude persistent surveillance capability as announced in the 2015 Strategic Defence and Security Review.

### Vetting

*Asked by Lord Wasserman*

To ask Her Majesty's Government whether they have any plans to introduce a scheme for the registration, regulation, accreditation and vetting by the Disclosure and Barring Service of self-employed personal trainers, especially those who offer personal training services in the area of fitness coaching to children and other vulnerable persons. [HL6404]

**Lord Bates:** There are no plans to introduce a scheme of this nature.

Those wishing to engage a coach to work with children or vulnerable groups may request the coach provide a criminal record check. A self-employed coach can apply for an enhanced DBS check through an agency, who will process the application and confirm that the activity is eligible to request the check. Alternatively, any individual can apply directly for a criminal conviction certificate which is available from Disclosure Scotland which contains details of unspent convictions and cautions.

Where parents do not want to engage a coach without the reassurance of a DBS check, they are free to limit their selection process to people who can show them a DBS certificate. Ultimately, it is for parents to decide who is a suitable person to coach their child and to take account of the information which is available to them.

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