

**Session 2021-22  
No. 2**



**Thursday  
13 May 2021**

**PARLIAMENTARY DEBATES  
(HANSARD)**

# **HOUSE OF LORDS**

## **WRITTEN STATEMENTS**

**Written Statements.....1**

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<b>Earl Howe</b>	Deputy Leader of the House of Lords
<b>Lord Agnew of Oulton</b>	Minister of State, Treasury and Cabinet Office
<b>Lord Ahmad of Wimbledon</b>	Minister of State, Foreign, Commonwealth and Development Office
<b>Lord Ashton of Hyde</b>	Chief Whip
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<b>Baroness Berridge</b>	Parliamentary Under-Secretary of State, Department for Education and Department for International Trade
<b>Lord Bethell</b>	Parliamentary Under-Secretary of State, Department of Health and Social Care
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<b>Lord Goldsmith of Richmond Park</b>	Minister of State, Department for Environment, Food and Rural Affairs and Foreign, Commonwealth and Development Office
<b>Lord Greenhalgh</b>	Minister of State, Home Office and Ministry of Housing, Communities and Local Government
<b>Lord Grimstone of Boscobel</b>	Minister of State, Department of Business, Energy and Industrial Strategy and Department for International Trade
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<b>Baroness Penn</b>	Whip
<b>Baroness Scott of Bybrook</b>	Whip
<b>Baroness Stedman-Scott</b>	Parliamentary Under-Secretary of State, Department for Work and Pensions
<b>Lord Stewart of Dirleton</b>	Advocate-General for Scotland
<b>Lord True</b>	Minister of State, Cabinet Office
<b>Baroness Vere of Norbiton</b>	Parliamentary Under-Secretary of State, Department for Transport
<b>Baroness Williams of Trafford</b>	Minister of State, Home Office
<b>Lord Wolfson of Tredegar</b>	Parliamentary Under-Secretary of State, Ministry of Justice
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# Written Statements

Thursday, 13 May 2021

## Coronavirus Restrictions Regulations

[HLWS26]

**Lord Bethell:** My Rt Hon Friend the Secretary of State for Health and Social Care (Matt Hancock) has today made the following written ministerial statement:

The Health Protection (Coronavirus, Restrictions) (England) (No.3) Regulations 2020 SI 2020/750 came into force on 18 July 2020 and have now been extended until 17 July 2021. These Regulations give powers to local authorities to issue a direction to impose prohibitions, restrictions or requirements in respect of:

- individual premises (regulation 4(1));
- events (regulation 5(1)); and
- public outdoor places (regulation 6(1)).

A local authority may give a direction under regulation 4(1), 5(1) or 6(1) only if it considers that the following conditions are met:

- a) that giving such a direction responds to a serious and imminent threat to public health,
- b) that the direction is necessary for the purpose of preventing, protecting against, controlling or providing a public health response to the incidence or spread of infection by coronavirus in the local authority's area, and
- c) that the prohibitions, requirements or restrictions imposed by the direction are a proportionate means of achieving that purpose.

The local authority must have regard to any advice provided by its local Director of Public Health, its interim or acting Director of Public Health, or a consultant appointed by the Director, Interim Director or Acting Director of Public Health, in order to issue a direction under the No.3 Regulations.

The No. 3 Regulations also allow for the Secretary of State to give a direction to a local authority requiring it to issue a direction under regulation 4(1), 5(1) or 6(1) if the conditions in paragraphs (a)-(c) would be met in relation to the direction. The Secretary of State may also revoke such a direction but must first consult the CMO or Deputy CMO of DHSC. To date, I have not given or revoked any directions under regulation 3 of the No.3 Regulations.

### *Support to Local Authorities*

To help support local authorities in their decisions to issue directions under the No. 3 Regulations, optional templates for directions, a decision-making guide and a process map have been provided by the Joint Biosecurity Centre. In addition, a newsletter is regularly published offering additional guidance, local authority case studies and communication of initiatives within local areas to provide assistance. Training has also been offered to all local authorities on the aims and use of the No.3 Regulations, most recently in March 2021.

### *Use of Directions to respond to a serious and imminent threat to public health*

Local authorities have used the No.3 Regulations to manage the risk of virus transmission in their local areas. Figures from 18 July 2020 to 29 April 2021 are:

<i>Region</i>	<i>Bar/Restaurant<sup>1</sup> Club/ Pub<sup>1</sup></i>	<i>Business<sup>1</sup></i>	<i>Event<sup>2</sup></i>	<i>Outdoor places<sup>3</sup></i>	<i>Total</i>
East Midlands	15	12	3	1	32
East of England	6	2	0	5	13
London	14	2	16	3	35
North East England	34	2	6	1	43
North West England	45	20	25	15	105
South East England	0	0	3	9	15
South West England	0	0	1	3	4
West Midlands	6	5	12	2	25
Yorkshire & Humber	12	7	6	8	33
<b>TOTALS</b>	<b>132</b>	<b>50</b>	<b>72</b>	<b>47</b>	<b>305</b>

[1] Regulation 4 - directions relating to individual premises

[2] Regulation 5 - directions relating to events

[3] Regulation 6 - directions relating to public outdoor places

Directions can be used to restrict activity in individual premises, events and public outdoor places in a variety of ways, such as restricting customer numbers, requiring seating to be suitably distanced and ensuring customer social distancing. A direction may also be used to close a business, place restrictions on, or prohibit, an event where the risk of transmission, and therefore risk to health, is considered too high. Two thirds of directions issued under regulation 4(1) have closed businesses, whilst one third have placed restrictions upon the business. Directions issued under regulation 4(1) account for 83% of all directions issued, whilst directions issued under regulation 5(1) on events, and Reg 6(1) on public outdoor places, account for 15% and 2% of all directions issued, respectively.

As of 29 April 2021, I have considered seven representations from appellants which were made under regulation 4(9)(b) and 5(9)(b) of the No. 3 Regulations. On all occasions, after investigation and thorough

consideration of the representations and epidemiological data, I decided that it was not appropriate to exercise my power in regulation 3(2) and I upheld the directions on the basis that they were made in response to a serious and imminent threat to public health, were necessary and proportionate, and were based on the epidemiological evidence and other available information.

I will continue to provide updates to the House regarding the use of these powers.

## E-Commerce: VAT Legislative Changes

[HLWS21]

**Lord Agnew of Oulton:** My right honourable friend the Financial Secretary to the Treasury (Jesse Norman) has today made the following Written Ministerial Statement:

The Government will be introducing changes to simplify the way VAT is administered for some goods sold between Northern Ireland and the EU, and some low value imports into Northern Ireland from 1 July 2021 (otherwise known as e-Commerce VAT changes). This mirrors an EU-wide reform, which the UK is implementing in Northern Ireland in line with the obligations set out under the Northern Ireland Protocol, where EU VAT rules with respect to goods will continue to apply in Northern Ireland. However, Northern Ireland is, and will remain, part of the UK's VAT system.

The overall aim of the e-Commerce VAT changes is to facilitate the declaration and payment of VAT for (a) sales of goods to consumers between Northern Ireland and the EU; and (b) low value goods, where they are in consignments valued up to £135 (150 EUR), supplied to consumers in Northern Ireland from non-EU countries, including from Great Britain. The changes will affect businesses and online marketplaces that are involved in these transactions. The consumer experience overall will not change.

On 1 January 2021, the UK introduced a set of new VAT rules for the imports of low value goods into Northern Ireland from outside the UK and the EU. The EU's e-Commerce reforms mirror many of those changes. Therefore, the Government considers that there will only be minimal changes for businesses selling imported goods to customers in Northern Ireland.

From a UK perspective, the e-Commerce changes mean that:

- A new single EU wide distance selling threshold of £8,818 (10,000 EUR) will be introduced for the sales of goods and services in the EU. The threshold will only apply to supplies of EU-located goods to and from Northern Ireland, which means that, EU suppliers who exceed the threshold will have to register for VAT in the United Kingdom if they wish to sell goods to consumers in Northern Ireland ;
- Online marketplaces will be liable for collecting and accounting for VAT on goods supplied in Northern Ireland, under certain circumstances; and

- Low value consignment relief, which relieves import VAT on consignments of goods of up to £15, will be removed fully in Northern Ireland and across the EU.

Alongside these changes, two new IT systems will be introduced: one for accounting and collecting VAT on sales of goods between Northern Ireland and the EU - the One Stop Shop; and the other for accounting and collecting VAT on imports of non-excise goods from non-EU countries, where they are in consignments that do not exceed £135 (150 EUR) in value - the Import One Stop Shop. Both systems are designed to reduce burdens on business and facilitate the collection of VAT on sales of goods across Northern Ireland and the EU and are optional for businesses and online marketplaces to use.

The UK will be taking a phased approach to the introduction of these IT systems. HMRC have today published guidance on GOV.UK setting out what this will mean for businesses. However, in many cases, if businesses and online marketplaces opt not to register to use these systems, there will be no change in how they declare and pay for VAT on their sales of goods to consumers in Northern Ireland and EU Member States.

The Government will legislate for these changes shortly.

## Benefit Fraud and Error Statistics

[HLWS24]

**Baroness Stedman-Scott:** My honourable Friend, the Parliamentary Under Secretary of State for Welfare Delivery (Will Quince MP) has made the following Written Statement:

The statistics for Fraud and Error in the Benefit System for the financial year ending 2021, were published Thursday 13th May 2021, at 9.30am.

When the pandemic struck last year, the Department faced an unprecedented challenge in meeting the surge in new Universal Credit claims, which at their peak reached 10 times the levels we would expect during normal times.

DWP's considered judgement was to get money as quickly as possible to those who needed it. To do this, the Department took the decision to streamline our checks to ensure that people could make a claim and still stay at home, save lives and protect the NHS.

This decision meant that the Department could successfully pay an additional 3 million claims during the early months of the pandemic, at the peak of the surge in claims. This ensured that households affected by sudden job losses were able to access benefit payments to help them meet the cost of living during this challenging time.

We were careful to assess what the changes might mean for fraud and error, which is why we logged each change and considered the impact it would have. We also tracked every claim where we were unable to undertake the usual checks.

We began to restore our processes at the earliest opportunity. Limited by capacity constraints due to social distancing and 'Stay at Home' guidance, we accelerated

our innovation by building new safeguards, like our Enhanced Checking Service, a team of trained investigators who review claims and contact claimants by telephone to obtain further information or evidence where there is suspected fraud.

We also increased the role of our Integrated Risk and Intelligence Service in co-ordinating the monitoring of, and response to, fraud risks from individuals and organised crime groups. A targeted attack on the benefits system by organised criminals at the height of the pandemic was thwarted by the Department for Work and Pensions, which meant we prevented an estimated £1.7 billion from being paid to people trying to scam the system.

Throughout the pandemic, our Serious Organised Crime Teams continued to target Organised Crime Groups working collaboratively with other government departments and law enforcement agencies nationally and across borders. We have recently identified another organised attempt to fraudulently claim Universal Credit at scale and have worked in conjunction with the police to arrest suspects involved, seizing evidence which will enable us to pursue the perpetrators. We will pursue and prosecute those who commit fraud against the benefit system.

The action we took in terms of reinstating – where possible – our normal checks, introducing mitigations and actively intervening in cases has made a significant difference to the level of fraud we might otherwise have incurred.

However, we always knew a minority would abuse the situation the country faced and were clear that the level of fraud and error would inevitably increase, a fact recognised by the National Audit Office. The Fraud and Error figures published today confirm that overall losses last year were 3.9%, mainly through fraudulent activity from a minority of claimants in the pandemic.

All benefit fraud is wrong. It is a crime and we are bearing down on it as the country emerges from the pandemic. We take any abuse of taxpayers' money seriously, but it is especially disappointing to see people exploit a global pandemic in this way.

We are partway through an exercise which is examining all of the cases we tagged and re-applying the verification standards that would have been applied at the time, had it not been for Covid-19. We will correct each and every case where we find something is wrong, and where appropriate, we will bring to bear the full force of the law.

In addition, at the Budget the Government announced £44m of funding for a package of measures designed to prevent fraud and error entering the system, including the expansion of both the Enhanced Checking Service and the Integrated Risk and Intelligence Service. This will help build on the work already undertaken to protect Universal Credit, which has seen us improve the way we collect information, introduce new housing costs verification procedures and develop risk profiling strategies.

The figures announced today show how hard we, as a Department, have worked during these difficult times to offset fraud and error. Despite the huge surge in claims and redeployment of staff, the proportion of fraudulent claims has remained broadly the same as pre-pandemic levels. Whilst the value of overpayments has increased, this is in part a consequence of our decision to suspend the Minimum Income Floor (MIF) in order to support self-employed Universal Credit claimants during the pandemic. We will be reinstating MIF in August 2021.

Moreover, Official Error in Universal Credit decreased this year, which is testament to the efforts of our staff and the hard work put in to support claimants.

We stand by our decision to honour our obligation to those who found themselves relying on the welfare safety net to support them through these exceptional times. Given the circumstances, no responsible government could have considered an alternative course of action.

The Department continues to focus on reducing fraud and error. We are confident the plans we are putting in place will reduce the losses incurred during the last year and will help us develop new approaches to root out the scourge of benefit fraud.

## High Speed Two Phase 2a: Consultation Response Report

[HLWS18]

**Baroness Vere of Norbiton:** My Honourable Friend, the Minister of State for Transport (Andrew Stephenson), has made the following Ministerial Statement:

I am today, 13 May 2021, publishing a consultation report as required under section 60(1) of the High Speed Rail (West Midlands - Crewe) Act 2021. The report summarises the responses to the HS2 Phase 2a local consultation held between 1 February and 26 February 2021 and has been prepared by the independent research company, Ipsos MORI. I am placing copies of the report in the libraries of both Houses.

I am carefully considering the report and will publish the Government response to its findings in June.

The Statement includes the following attached material:

HS2 Phase 2a Consultation [HS2 Phase 2a Consultation.pdf]

The material can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2021-05-13/HLWS18/>

## Independent Reservoir Safety Review Report

[HLWS15]

**Lord Goldsmith of Richmond Park:** My Hon Friend Parliamentary Under Secretary of State (Minister for Domestic Environment) (Rebecca Pow) has made the following Statement:

Today I am publishing Professor David Balmforth's review into the application of current legislation for reservoir safety which considers whether the regulation of

reservoirs remains effective and robust in securing the ongoing safety of this critical infrastructure. This review follows Professor Balmforth's initial report into the lessons that could be taken from the Toddbrook Reservoir incident, where parts of the spillway collapsed following significant heavy rainfall.

I thank Professor Balmforth, and all those who contributed, for a comprehensive assessment of the current reservoir safety framework, and his further recommendations for improvement.

#### *Key Findings*

The report recognises that there is already a well-established regime to manage the safety of our reservoirs, it also recognises that the legislation that supports it is well understood by all those involved, with high levels of compliance. It recognises that many reservoirs have appropriate surveillance, operation and maintenance but the report raises concerns that this is not applied consistently across the industry as a whole.

The report found that both the legislation and industry practice has not always kept pace with the risk based approach adopted for health and safety in other industries, resulting in a potentially disproportionate approach for measuring risk. Professor Balmforth also found that not all reports received from engineers were clear or well understood by owners and operators, which may be leading to delays in repairs, and/or ongoing regular maintenance at some sites.

The review highlights that the regulator for reservoir safety, the Environment Agency in England, has limited opportunity to quality assure the overall processes and procedures, which is a key role of other regulators.

The role of Panel Engineers is central to ensuring all our reservoirs are managed and maintained to minimize risk to public safety. This report finds that whilst the appointment process ensures competent and capable individuals are in these roles, improvements could be made in respect of the current fragmented approach and leadership for ongoing development and knowledge sharing. There is concern that the supply of appropriately qualified and experienced engineers for the future may not keep pace with need.

#### *Recommendations*

Examples of good practice from across the reservoir industry, other regulated industries and international experience have been used to inform a set of comprehensive and interlinked recommendations for both Government and the industry to consider.

The recommendations include:

- Seven recommendations (or parts thereof) that relate directly to developing a reservoir safety regime through a risk/hazard-based approach.
- Five recommendations (or parts thereof) relating to Panel engineer and owners roles and responsibilities.
- Three recommendations (or parts thereof) in respect of panel engineer supply and/or ongoing development of the engineers and/or owners.

- Six recommendations to strengthen the role of the Regulator (Environment Agency) including new responsibilities, duties and powers.

- One recommendation for Government to consider the legislative framework in the round.

I welcome these recommendations, and their potential to further strengthen how Government and the reservoir sector itself can embed and secure an effective safety culture. Whilst some of the ideas and recommendations can, and indeed must, be taken forward by the industry itself as good practice now, others will likely require legislative changes.

Defra will take forward detailed work, including with the industry, to explore these recommendations further. This will ensure we have a reservoir safety regime that is fit for the future, without disproportionate burden on those responsible.

Alongside this review, Government has taken action to further strengthen reservoir safety, including making it a statutory requirement for registered reservoirs to prepare on-site emergency flood plans. I have issued a Direction to this effect to all undertakers of large raised reservoirs in England. This will ensure that those responsible have plans in place and are prepared to mitigate and/or manage an emerging or actual emergency that could result in an uncontrolled release of water. Thankfully such incidents are very rare in this country, but the experience from Toddbrook clearly demonstrates how important this preparation is.

### **International Residual Mechanism for Criminal Tribunals: Radovan Karadžić**

[HLWS20]

**Lord Ahmad of Wimbledon:** My Rt hon. Friend, the Secretary of State for Foreign, Commonwealth and Development Affairs (Dominic Raab), has made the following Written Ministerial Statement:

Promoting and enforcing international justice is central to Global Britain's role as a force for good in the Western Balkans and in the world. The conviction of Radovan Karadžić for genocide and grave crimes at Srebrenica, the siege of Sarajevo and other parts of the conflict was an essential part of addressing the horrors of the Yugoslav Wars of the 1990s. Ensuring accountability for such crimes is also pivotal for promoting reconciliation in the region.

On 24 March 2016, the International Tribunal for the former Yugoslavia (ICTY), in The Hague found Radovan Karadžić guilty of genocide, crimes against humanity and violations of the laws or customs of war committed during the conflict in and around Bosnia and Herzegovina (BiH) during the mid-1990s. The Court sentenced him to 40 years of imprisonment, which was increased on appeal to a life sentence.

Following a request to the United Kingdom from the International Residual Mechanism for Criminal Tribunals (IRMCT), the successor body to the ICTY, Radovan

Karadžić will now be transferred to a prison in the UK to serve his sentence. Radovan Karadžić will be the fifth prisoner transferred to the UK by the ICTY / IRMCT.

The crimes for which Radovan Karadžić was convicted relate to actions taken in municipalities throughout BiH with a view to permanently removing Bosnian Muslims and Bosnian Croats from Bosnian Serb-claimed territory; spreading terror among the civilian population of Sarajevo through a campaign of sniping and shelling; taking UN personnel hostage; and the genocide at Srebrenica.

The United Kingdom signed a sentence enforcement agreement with the ICTY on 11 March 2004, allowing for sentences to be enforced in the UK, and for Her Majesty's Government to meet the associated costs. The IRMCT remains responsible for further decision-making regarding his imprisonment, over and above the prisoner's daily care.

### Legislation to Counter State Threats: Government Consultation

[HLWS22]

**Baroness Williams of Trafford:** My right hon Friend the Secretary of State for the Home Department (Priti Patel) has today made the following Written Ministerial Statement:

I am today publishing the consultation on the Government's legislative proposals to counter the evolving and full range of state threats posed to the United Kingdom.

The threat from hostile activity by states is a growing, diversifying and evolving one. States are becoming increasingly assertive in how they advance their own objectives and undermine our own. Unlike terrorists, whose methods rely on grabbing the public's attention, states conducting hostile activity against us will seek to operate in the shadows and remain hidden. While sometimes acts are conducted in broad daylight or through obvious propaganda channels, many of the myriad forms that state threats take will not always be visible: for example, espionage, political interference, sabotage, electoral interference, disinformation, cyber operations and intellectual property theft. Though these acts fall short of open conflict, the consequences for our democracy, economic security and prosperity are real. We continue to face this very real and serious threat from those who seek to undermine and destabilise our country to pursue their own agendas.

In addition, the global landscape has changed significantly since comprehensive legislation was last passed in this area. New technologies and their widespread commercial availability, have created new opportunities and vectors for attack, lowering the cost and risk to states to conduct espionage. There are also a number of current and future trends that impact on both the threat and our response, including the Covid-19 global pandemic, advances in data and technical innovation, and the increasing use of information operations that aim to

sow discord, attempt to interfere in democracy, and disrupt the fabric of society.

There is a significant volume of work ongoing within Government to counter state threats and we are making the UK safer by strengthening our ability to deter, withstand and respond to it. This work includes bringing into force a new power under Schedule 3 of the Counter-Terrorism and Border Security Act 2019 and avowing the Joint State Threats Assessment Team to better understand the threat and inform the Government's response. However, there remains a compelling case for new legislation to help address the threat. Now is the time to comprehensively update existing laws and bring forward new powers.

At their core the legislative proposals in the consultation seek to do three things:

- Modernise existing counter espionage laws to reflect the modern threat and modern legislative standards;
- Create new offences, tools and powers to detect, deter and disrupt hostile activity in and targeted at the UK;
- Improve our ability to protect official data and ensure the associated offences reflect the greater ease at which significant harm can be done.

The legislative proposals in this consultation have been developed through extensive review of current legislative provisions and collaboration with security and intelligence agencies and policy departments at the forefront of tackling state threats in the UK today. These proposals, which are intentionally designed to be country and actor agnostic, include:

- Reform of the Official Secrets Acts 1911, 1920 and 1939 – these Acts contain the core espionage offences which have failed to keep pace with the threat and modern legal standards;
- Reform of the Official Secrets Act 1989 – which governs the law around the unauthorised disclosure of official material and its onward disclosure; and
- The creation of a Foreign Influence Registration Scheme – an important new tool to help combat espionage, interference, and to protect research in sensitive subject areas, as well as to provide a greater awareness of foreign influence currently being exerted in the UK.

The consultation also considers whether there is the case for new tools and powers to criminalise other harmful activity conducted by, and on behalf of states.

I have asked my officials to engage with Parliamentarians, Committees and key industry, research and media sectors to ensure as many views as possible can be heard and considered to inform final policy legislative proposals. The Home Office will work in close partnership to consult with the devolved executives given the clear applicability to the entire United Kingdom.

The input received through this consultation will help shape the tools and powers to ensure they are comprehensive, effective, workable and balance the

protection of national security with the important rights and values we all enjoy in the UK.

This country is fortunate to have the best security services in the world. I stand shoulder to shoulder with them, just as I do with our police, and I am committed to ensuring that they have the tools in place to keep this country safe, disrupt hostile activity and punish those who conduct hostile acts against the UK.

#### *Next steps*

I will arrange for a copy of the consultation document to be placed in the Libraries of both Houses.

The deadline for responses to the consultation is the 22 July 2021.

Following which I will update the House and publish the Government's response to the consultation.

## Local Government Pensions

[HLWS23]

**Lord Greenhalgh:** My Hon. Friend, the Minister for Regional Growth and Local Government (Luke Hall) has today made the following Written Ministerial Statement:

The Government is committed to public service pensions which are fair to public sector workers. In 2014, reforms were made to the Local Government Pension Scheme in England and Wales (the LGPS) to make the scheme more sustainable and affordable for the longer term. These reforms followed the prior recommendations of the Independent Public Service Pensions Commission and were part of similar reforms made across the public sector. The Government believes the 2014 changes to the LGPS balanced the interests of local government workers, employers and taxpayers fairly, and it remains the right package of benefits for the sector.

In July 2020, MHCLG consulted on changes to the Local Government Pension Scheme in England and Wales (LGPS). That consultation outlined proposals to amend LGPS 'transitional protections' following a December 2018 Court of Appeal finding that similar provisions in the judicial and firefighters' pension schemes gave rise to unlawful discrimination. Transitional protections had been introduced by the Government to exempt scheme members nearest to retirement from the impact of the reforms made to public service pensions in 2014 and 2015.

In the LGPS, transitional protection was provided through an 'underpin', providing protected members with the higher of their pension under the reformed, career average scheme and the pension they would have been entitled to under the previous final salary scheme. In our consultation, we proposed extending underpin protection to younger qualifying members.

The Government received responses from a variety of stakeholders. These were detailed and varied, and the Government is grateful for the consideration and thought

given to the issues covered in the consultation. Responses were largely supportive of the key elements of the proposals.

After consideration of the responses, we can now confirm the key elements of the changes to scheme regulations which will be made in due course. The overarching aim is that the changes will address the findings of the Courts and provide protection to all qualifying members when their benefits are drawn from the scheme. The key points are:

- Underpin protection will apply to LGPS members who meet the revised qualifying criteria, principally that they were active in the scheme on 31st March 2012 and subsequently had membership of the career average scheme without a continuous break in service of more than five years.
- The period of protection will apply from 1st April 2014 to 31st March 2022 but will cease earlier where a member leaves active membership or reaches their final salary scheme normal retirement age (normally 65) before 31st March 2022.
- Where a member stays in active membership beyond 31st March 2022, the comparison of their benefits will be based on their final salary when they leave the LGPS, or when they reach their final salary scheme normal retirement age, if earlier.
- Underpin protection will apply to qualifying members who leave active membership of the LGPS with an immediate or deferred entitlement to a pension.
- A 'two stage process' will apply for assessing the underpin so that, where there is a gap between a member's last day of active membership and the date they take their pension, members can be assured they are getting the higher benefit.
- Scheme regulations giving effect to the above changes will be retrospective to 1st April 2014.

A full Government response, containing further detail on the matters addressed above, and on other issues which were covered in the consultation, will be published later this year. This will include the Government's decision on whether members will be expected to meet the underpin qualifying criteria in a single period of scheme membership for the underpin to apply.

It is anticipated that regulations giving effect to these changes will be made after new primary legislation in relation to public service pensions has completed its passage through Parliament and the Government's intention is that regulations will come into force on 1st April 2023.

Ensuring that future pension accrual for all LGPS members is on a career average basis from 1st April 2022 will mean that local government workers continue to receive some of the best pension scheme benefits available in the UK, but that provision is more sustainable for the long term and more affordable for the taxpayer.

## Maritime and Coastguard Agency: Business Plan 2021-22

[HLWS16]

**Baroness Vere of Norbiton:** My Honourable Friend, the Parliamentary Under Secretary for Transport (Robert Courts) has made the following Ministerial Statement:

I am proud to announce the publication of the Maritime and Coastguard Agency's (MCA) business plan for 2021-22. The MCA does vital work to save lives at sea, regulate ship standards and protect the marine environment. The Agency affects not just those working on the coast or at sea, it upholds the legacy of our great maritime nation.

The business plan sets out:

- i) MCA's work towards positioning the United Kingdom as the Innovative flag of choice;
- ii) Supporting the development and implementation of emerging fuels and technologies, with a key drive towards reducing emissions and with the support and development of autonomous shipping and;
- iii) The vision for a future aviation strategy, including the next phase of helicopter contracts.

At the international level, MCA will work alongside the Department and with the input of other government departments to represent the UK's interests at the International Maritime Organization (IMO), and at other relevant bodies.

Domestically, MCA will despite the impact of the pandemic continue to work collaboratively to grow the maritime sector in the UK so that it continues to contribute positively to the economy. They will also continue to provide a valuable contribution to the delivery and ambitions that were set out in the Maritime 2050 strategy just over two years ago and its accompanying route maps.

This plan allows service users and members of the public the opportunity to see how the agency is developing and using new technologies to improve its services and performance.

The Key Performance Indicators will assess how the agency is performing in operating its key services, managing reforms and the agency finances throughout the year.

The business plan will be available electronically on GOV.UK and copies will be placed in the libraries of both houses.

The Statement includes the following attached material:

MCA Business Plans [MCA BP 2021-22.pdf]

The material can be viewed online at:  
<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2021-05-13/HLWS16/>

## Official Development Assistance: Government Allocations

[HLWS25]

**Lord Agnew of Oulton:** My right honorable friend the Chief Secretary to the Treasury (Steve Barclay) has today made the following Written Ministerial Statement:

I would like to update the House on the Official Development Assistance (ODA) allocation by department, 2020-21.

The Foreign Commonwealth and Development Office's provisional Statistics on International Development confirmed that the UK met the target to spend 0.7% of gross national income on Official Development Assistance in the 2020 calendar year (<https://www.gov.uk/government/statistics/statistics-on-international-development-provisional-uk-aid-spend-2020>).

Following the end of the 2020/21 financial year, we are now publishing the total ODA allocations to departments and cross-government funds for 2020/21, as set by HM Treasury at the 2019 Spending Round and subsequently adjusted through supplementary estimates 2020/21.

The below allocations show the revised financial year budget for 2020/21 compared to SR19 allocations. As set out in the *Official Development Assistance spending for 2020: First Secretary of State's letter* published on 22 July, last summer the Government identified a package of possible reductions in its planned ODA spend for the calendar year 2020, which included arrangements to tailor spending further during the remaining months to enable the Government to manage ODA spend against an uncertain 0.7% position. That package included underspends, delaying activity and stopping some spend (<https://www.gov.uk/government/publications/official-development-assistance-oda-spending-for-2020-first-secretary-of-states-letter/official-development-assistance-oda-spending-for-2020-first-secretary-of-states-letter>).

The Foreign Secretary led a cross-government review of how ODA is allocated for 2021/22 against the Government's priorities after the 2020 Spending Review. The final allocations were provided in a Written Ministerial Statement on the 26 January 2021 (HCWS735).

### Departmental ODA allocations, 2020/21

ODA allocation by department (£m)	2020-21 allocations made at the 2019 Spending Review	Revised 2020-21 allocations
FCDO	11,865	11,075
BEIS	1,406	1,281
CSSF	687	644
HO	482	482
DHSC	301	273

<i>ODA allocation by department (£m)</i>	<i>2020-21 allocations made at the 2019 Spending Review</i>	<i>Revised 2020-21 allocations</i>
Prosperity Fund	295	237
DEFRA	95	95
Other	58	54

[1] The FCDO total for SR19 is constructed using the original DFID (accounting for reclassified R&D confirmed at SB20) and FCO SR19 allocations.

[2] These figures do not account for budget exchanges or transfers that are agreed and occur between departments at mains and supplementary estimates.

[3] Departmental ODA outturn figures may differ from allocations due to transfers undertaken and agreed between departments, budget exchanges, and any financial year underspend that may occur.

[4] ODA allocations are adjusted as needed at fiscal events in line with OBR projections.

[5] ODA in cross-government funds (CSSF and Prosperity Fund) is spent by several government departments.

[6] "Other" includes DfE, DCMS, DWP, MOD, HMRC, HMT, ONS and Barnett given to the devolved administrations as a result of UK Government spend on ODA.

## Sale of Government-owned NWG Shares

[HLWS17]

**Lord Agnew of Oulton:** My honourable friend the Economic Secretary to the Treasury (John Glen) has made the following Written Ministerial Statement:

I can today inform the House of the disposal of £1.1bn worth of government-owned NatWest Group plc (NWG, formerly Royal Bank of Scotland, RBS) shares, representing 5% of the company, by way of an overnight sale via a competitive accelerated book build (ABB) to institutional investors. The government's remaining shareholding represents 54.8% of the company.

### *Rationale*

It is government policy that where a government asset no longer serves a public policy purpose, the government may choose to sell that asset, subject to being able to achieve value for money. This frees up public resource which can be deployed to achieve other public policy objectives.

The government is committed to returning NWG to full private ownership, given that the original policy objective for the intervention in NWG – to preserve financial and economic stability at a time of crisis – has long been achieved. The government only conducts sales of NWG shares when it represents value for money to do so and market conditions allow. This sale represents a further step forward for government in exiting the assets acquired as a result of the 2007 to 2008 financial crisis.

### *Format and Timing*

The government, supported by advice from UK Government Investments (UKGI), concluded that selling shares by way of a competitive ABB process to institutional investors represented value for money for the taxpayer. The sale involved wall-crossing, an established market procedure designed to improve the chances of reaching the widest possible range of investors, executing successfully and achieving the best price for the taxpayer. Wall-crossing is commonly used in transactions of this sort and involves contacting a number of institutional investors hours before the transaction launch on a confidential basis to give them more time to consider participating in the sale and to provide UKGI with feedback which can be used to optimise the offering. The institutions were selected on the basis of objective criteria and do not receive preferential treatment in the allocation. UKGI intends to keep disposal options under review and will continue to consider further transaction options that achieve value for money for the taxpayer.

ABBs are a well-established method of returning government-owned shares to private ownership, while protecting value for the taxpayer. The first two sales of NWG shares were completed by way of ABBs (in August 2015 and June 2018), and this method was also used in the sell-down of the government's stake in Lloyds Banking Group.

This is the fourth sale of NWG shares undertaken by the government, following previous disposals in August 2015, June 2018 and March 2021.

The sale concluded on 11 May 2021, with institutional investors purchasing a limited number of government owned shares. A total of 580m shares (5% of the bank) were sold at the price of 190p per share. This represented an 3.6% discount to the 10 May 2021 closing price of 197.05p. A small discount to market price is necessary and expected in a market facing sale of such a large volume of shares overnight. UKGI's view, having taken advice from their privatisation adviser, Goldman Sachs, and their capital markets adviser, Rothschild & Co, is that the final price achieved in the transaction represents fair value, based on the current and future prospects of NWG, and that the transaction achieved value for money for the taxpayer. Following this transaction, the government's shareholding will stand at 54.8%.

Details of the sale are summarised below:

Government stake in NWG pre-sale	59.80%
Total shares sold	580 million
Sale price per share	190.00p
Share price at market close on 10/05/2021	197.05p
Discount to close price	3.60%
Total proceeds from the sale	£1,102 million
Government stake in NWG post-sale	54.80%

*Fiscal impacts*

The net impacts of the sale on a selection of fiscal metrics are summarised as follows:

<i>Metric</i>	<i>Impact</i>
Net sale proceeds	£1.1 billion
Retention value range	Within the valuation range
Public Sector Net Borrowing	Uncertain There may be future indirect impacts as a result of the sale. The sale proceeds reduce public sector debt. All else being equal, the sale will reduce future debt interest costs for government. The reduction in government's shareholding means it will not receive future dividend income it may otherwise have been entitled to through these shares.
Public Sector Net Debt	Reduced by £1.1 billion
Public Sector Net Financial Liabilities	Increased by £40.9 million
Public Sector Net Liabilities	Increased by £40.9 million

## Sport Broadcasting

[HLWS19]

**Baroness Barran:** My Honourable Friend the Minister for Sport and Tourism, Nigel Huddleston MP, has made the following Statement:

The Department for Digital, Culture, Media and Sport (DCMS) has written to the Premier League and to Sky, BT, Amazon and the BBC, as the current holders of broadcast rights to the Premier League in the UK, to inform them that the Secretary of State for Business, Energy and Industrial Strategy (BEIS) is 'minded to' make an Exclusion Order under the Competition Act 1998, allowing the Premier League to renew its current broadcast agreements with current UK broadcast partners for an additional three-year period starting 2022-23, without conducting the normal tender process.

In order to remain consistent with past commitments to competition authorities and to avoid a potential breach of competition law, and absent Covid-19, the Premier League would normally have re-tendered its domestic broadcast rights in early 2021 at the midpoint of the current three-year cycle and would have concluded sales by now. However, Covid-19 has had a significant impact on the value of broadcast rights for football across Europe. Under an auction, it is plausible that the value of the Premier League's domestic rights could drop.

The football pyramid receives the majority of its funding via the Premier League's broadcast revenue. The Premier League and its clubs have already experienced financial losses totalling over £1.5 billion due to the impact of the pandemic, with further losses projected into next season. The wider football pyramid, from the

Championship through to women's football and the grassroots, has also suffered financial losses due to the pandemic.

The Government has been clear that football has the resources to support itself financially to deal with the consequences of the Covid-19 pandemic. To provide financial stability for the football pyramid, the Premier League has therefore requested that the Government make an Exclusion Order allowing it to renew its current broadcast agreements for an additional three years, on the same commercial and license terms, with current UK broadcast partners, without conducting a tender process.

Under paragraph 7 of Schedule 3 to the Competition Act 1998, the Secretary of State for Business Energy and Industrial Strategy has the power to exclude, via a so-called "Exclusion Order", certain agreements from the application of UK competition law where there are 'exceptional and compelling reasons of public policy' to do so.

If such an Exclusion Order is made, the Premier League has committed to:

- guaranteeing existing levels of financial support for the football pyramid for four years from 2021/22 to the end of the 2024/25 season. This includes solidarity payments, parachute payments, youth development funding and funding for grassroots football at existing levels, worth over £1.5 billion over the three-year rights cycle.
- maintaining at least this level of funding even if its international broadcast rights decrease in value when they are re-tendered individually over the next year into 2022, and to increase the level of funding if its international broadcast rights exceed their current value; and,
- providing a further minimum £100 million in solidarity and good causes funding to the end of the 2024/25 season, in roughly equal shares, to the National League, women's football, League One and Two clubs, grassroots football and cross-game initiatives. This would make a significant financial contribution, including doubling the support for the non-league system, and providing crucial financial support for the women's game.

The Secretary of State for BEIS and DCMS Ministers have considered the impact of Covid on the English football pyramid and are minded to agree the Government should act to enable the Premier League to provide financial stability to protect the pyramid following heavily disrupted seasons due to Covid, for the following reasons.

- 1) Football clubs are a central part of local communities across the country. They provide a focal point, but also huge social and health impacts via outreach and wellbeing programmes and fundamentally provide economic value to local areas through jobs, income and tourism. There is therefore public policy value in preserving football clubs for their fans as consumers and local residents.

2) There is inherent value in the football league pyramid. As our national game, football holds a unique cultural position, and the preservation of a meritocratic fair system through the football pyramid has a public policy benefit in its own right.

3) There is public policy value in having a healthy football system. It is a source of international reputation, attracts fans globally and is a major source of exports for the United Kingdom. The strength of the Premier League is one of the UK's soft power levers for the United Kingdom to attract investment so having a financially stable system enables that.

4) As the football pyramid receives a majority of its funding from the Premier League, a reduction in the value of domestic broadcast rights would negatively affect the ability of the Premier League and its clubs to continue to directly and indirectly support the football pyramid in England in the current climate. This would compound the impact of the wider financial losses each level of the pyramid has experienced due to Covid, with a real prospect that some clubs and facilities could cease to exist.

5) An Exclusion Order allowing the continuation of previously competitively tendered rights for another three years would support all of football following Covid. It would help to promote the domestic game after heavily disrupted seasons due to Covid by enabling the Premier League to commit to its solidarity payments, parachute payments, and funding for grassroots football at existing levels, worth a minimum of £1.5 billion to the football pyramid over three years.

6) An Exclusion Order would also enable the Premier League to release at least £100 million of new funding for particularly vulnerable areas of the sport. This would make a significant financial contribution, including doubling the support for the non-league

system, and providing crucial financial support for the women's game.

The Government is in the process of a fan-led review of football governance, and the Premier League is undertaking a Strategic Review. The proposed Exclusion Order would not preclude those reviews from acting to change the distribution of broadcast revenue, but it would provide a level of certainty for the wider football pyramid and a minimum level of funding to maintain stability to 2024/25.

On advice from my Department, the Secretary of State for BEIS is satisfied that the Premier League's funding commitments as set out above would provide vital financial stability for the English football pyramid, allowing football to support itself financially, and that renewing the Premier League's domestic broadcasting rights for a limited period of three years only will help to minimise any possible detrimental effects on the broadcasting market and consumers.

On balance, the Secretary of State for BEIS is minded to conclude that there are exceptional and compelling reasons of public policy to make the proposed Exclusion Order, but would like to consider any representations from interested parties before a final decision is taken. Written representations should be sent to [plbroadcastingexclusionorder@dcms.gov.uk](mailto:plbroadcastingexclusionorder@dcms.gov.uk) by 1700 on Friday 28 May 2021.

An Exclusion Order, if made, should be seen as a temporary measure in response to the pandemic. The Government is content that this request by the Premier League was not made as a result of the recently proposed European Super League.

Ministers at my department will keep Parliament updated on progress with this case. A copy of the 'minded to' letter will be placed in the Library of both Houses.

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