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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

Introduction: The Lord Bishop of Bristol	763
Questions	
Child Citizenship Fees	763
Brexit: Food Security	765
Online Anonymity	767
Health: Flu Vaccines	769
Draft Registration of Overseas Entities Bill Committee	
<i>Motion</i>	772
Draft Parliamentary Buildings (Restoration and Renewal) Bill Committee	
<i>Motion</i>	772
Mental Health Units (Use of Force) Bill	
<i>Order of Commitment Discharged</i>	772
Jamal Khashoggi	
<i>Statement</i>	773
Voyeurism (Offences) (No. 2) Bill	
<i>Second Reading</i>	784
Life Sciences Industrial Strategy (Science and Technology Committee Report)	
<i>Motion to Take Note</i>	802

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Tuesday 23 October 2018

2.30 pm

Prayers—read by the Lord Bishop of Salisbury.

Introduction: The Lord Bishop of Bristol

2.38 pm

Vivienne Frances, Lord Bishop of Bristol, was introduced and took the oath, supported by the Archbishop of Canterbury and the Bishop of Salisbury, and signed an undertaking to abide by the Code of Conduct.

Child Citizenship Fees Question

2.41 pm

Asked by **Baroness Lister of Burtersett**

To ask Her Majesty's Government what assessment they have made of the impact on children of the £1,012 fee to apply to register their entitlement to British citizenship.

Baroness Manzoor (Con): My Lords, the Home Office duty to have regard to a child's best interest is considered when developing immigration and nationality fees policy, and is met through the waivers and exceptions in place. This position is reviewed in the policy equality statements that accompany each year's fee charges. The Home Office will consider representations made on child citizenship fees in this year's fees review.

Baroness Lister of Burtersett (Lab): My Lords, I thank the Minister, but no child rights impact assessment has been published. How can the Government meet their duty under the UN Convention on the Rights of the Child to give primary consideration to the best interests of the child when they fail to provide that assessment of the "huge" registration fee, to quote the Home Secretary? It effectively denies children born in this country their statutory right to citizenship, thereby undermining their sense of security, identity and belonging, and potentially creating a new Windrush generation.

Baroness Manzoor: My Lords, we understand the need that children and young people have to establish a secure status for their future when they have been in the UK for most of their lives. The published impact assessment considers the overall impact of immigration and nationality fee changes and estimates the overall costs and benefits to the UK economy. It assesses the impact of fee changes not on the individual applicant, but rather on the UK as a whole. Given the large number of fees included, results are presented at an aggregated level.

Baroness Hamwee (LD): My Lords, on Thursday, in response to a question from the noble Lord, Lord Harris of Haringey, the noble Baroness said,

"the Government believe that it is right for those who use and benefit directly from the UK immigration system to make an appropriate contribution towards meeting the costs".—[*Official Report*, 18/10/18; col. 564.]

I understand that of the £1,012 fee that is the subject of this Question, £372 represents the administrative cost. Is the £640 profit—almost two-thirds—"appropriate", to use the noble Baroness's term, or are the rights of the child under international law trumped by Home Office profit?

Baroness Manzoor: My Lords, this is not about Home Office profit.

Noble Lords: Oh!

Baroness Manzoor: No, my Lords, it is not, because we have to take a whole-system approach to fees, immigration and citizenship. I totally take on board that compelling points have been persuasively made in both Houses, including in our June debate. I have sought a commitment that the Home Office will look at the issue of charges. It genuinely understands why these points are being made and the importance attached to them, and will consider them as part of its annual review of immigration and nationality fees.

The Lord Bishop of Ely: My Lords, has the Minister been in contact with the many school leaders who say that there are issues not only around identity, but around the economic harm done to children through food insecurity and their basic needs not being met? I wonder whether, even ahead of the review, an undertaking might be given to waive fees for the poorest children, particularly those who are looked after.

Baroness Manzoor: The right reverend Prelate has made an important point. Of course the Home Office uses fee waivers in compassionate cases and will take compelling financial circumstances into consideration.

Lord Cormack (Con): Why are the individual circumstances of people on whom this fee has a great impact not taken into account? Surely that is a very simple question.

Baroness Manzoor: My Lords, people's individual circumstances are looked at and taken into account where necessary and appropriate.

Lord Dubs (Lab): My Lords, the Minister used the expression "whole-system approach" in answer to a question asking why the Home Office was making a profit out of these children. I am puzzled by what that term means. Could she explain? To me it is complete gobbledegook.

Baroness Manzoor: My Lords, it is not gobbledegook because any changes to the charging structure have financial consequences that the Home Office must consider alongside other pressures. It is important to look at where the charges impact. Where fees are set above costs, the additional income is used to help fund and maintain the function of an effective wider immigration system.

Noble Lords: Oh!

Baroness Manzoor: If I may, I will give two examples. Fees for EEA nationals have been set below cost to reflect the agreements in place with the EU. Fees for

[BARONESS MANZOOR]

short-term visas, our largest volume application route, reflect the importance to our economy of visitors to the UK.

Baroness Smith of Basildon (Lab): My Lords, the Minister has missed the entire point of this Question—that these children are already UK citizens and are just trying to regularise their position to get the paperwork that they need. I gather that the Government are making a profit of around 800% out of these applications. Does she really think it is fair to charge that amount of money to children who are already UK citizens?

Baroness Manzoor: My Lords, I understand the Question, as does the Home Office, and I believe that I have answered the questions that have been put to me. It is understandable that children have to pay higher fees. The principle of charging above the cost for children to register as British citizens has been in place for more than a decade and has been approved by Parliament. We are reviewing all our fees and will look at the regulations in March 2019. I understand that those regulations will come before the House before they can take effect.

Lord Russell of Liverpool (CB): My Lords, the Minister will be painfully aware of the sentiments of a lot of people in this House on this subject, including a great many people sitting on the Benches behind her, as was evident in June. In the light of that, we are grateful that the Chief Inspector of Immigration is undertaking a review. Can the Minister give an indication of when that review will be complete and what options the Government are considering to mitigate this very unfortunate situation?

Baroness Manzoor: As I said, any changes will need to be set in new secondary legislation before they can come into effect, and the next planned date for new immigration fee legislation is March 2019.

Brexit: Food Security *Question*

2.50 pm

Tabled by *The Lord Bishop of St Albans*

To ask Her Majesty's Government what assessment they have made of food security following Brexit.

The Lord Bishop of Salisbury: I beg leave to ask the Question in the name of the right reverend Prelate the Bishop of St Albans, who has been detained on other business.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, Defra regularly assesses the security of food supply and has well-established relationships with industry on supply chain resilience. The UK has a high degree of food security, as shown by the *UK Food Security Assessment*. This is built on access to diverse sources of supply, including our domestic

production. I declare my farming interests as set out in the register. Consumers will continue to have a wide choice of food after we leave the EU.

The Lord Bishop of Salisbury: I thank the Minister for his Answer. We used to think that the expansion of food production in Britain was in the national interest, but UK self-sufficiency in food has declined steadily for more than 30 years, with only about 62% of food produced by British farmers. Given the environmental impact of importing food, how will the Government gain political, economic and environmental benefits in terms of food after Brexit?

Lord Gardiner of Kimble: Obviously, your Lordships are awaiting the arrival of the Agriculture Bill in this House. We currently have a production-to-supply ratio of 60% for all food and 75% for indigenous-type foods. We certainly want self-reliant agriculture; it is essential that we produce food sustainably both at home and abroad. That is why we are working with technology and increasing productivity to increase our production at home and abroad.

Baroness Boycott (CB): My Lords, the cost of the Government's "eatwell plate" for a healthy diet is already completely unaffordable for the poorest 20% of our population. What measures do the Government have in place so that, if prices go up after Brexit, we do not make a bad situation worse? Does the Minister agree that it is shocking that in this morning's meeting of the Environmental Audit Committee, not one of the four Ministers present has responsibility for hunger in the UK? The Ministers represented the Cabinet Office, DfID, Defra and the DWP.

Lord Gardiner of Kimble: That is why £95 billion a year is spent on working-age welfare benefits, for instance. It is absolutely essential that we have good food standards—that is, healthy and affordable food. I agree that it is important that the Government keep these matters under review, which is why part of the assessment covers the very points drawn out by the noble Baroness.

Baroness Jones of Whitchurch (Lab): My Lords, the UK sources 30% of its food from the EU and a further 11% from deals negotiated by the EU. Does the Minister accept that whatever the outcome of negotiations, the UK will be obliged to conduct more border checks on food supplies than is currently the case? Can he say with confidence that sufficient border staff, vets and food safety inspectors have been recruited to ensure that there are no delays and therefore no further food shortages as a result of a no-deal Brexit?

Lord Gardiner of Kimble: My Lords, there will not be food shortages because of Brexit. Our food industry in this country is very sophisticated, with plenty of experience and mechanisms around the world to source foods. I am surprised by the noble Baroness's question. In truth, that is why we have, and are recorded to have, this resilience in food supply. We will not have food shortages. We already produce a very large amount of food; the rest of our food will come from sources around the world.

Baroness Jones of Moulsecoomb (GP): My Lords, at the Mayor of London's Food Board, we produced a strategy for sustainable food for London; I wonder whether the Government would like a copy of it. Frankly, the idea that we will have American produce that none of us wants to eat is horrifying to most of us. Would the Minister like a copy of that sustainable strategy?

Lord Gardiner of Kimble: I am always interested in any material the noble Baroness wishes to supply me with, but all of the standards—whether on chlorinated chicken or hormone-induced beef—are already in the EU withdrawal Bill. All these things are on our statute books, so the idea that we are going to start trade arrangements which compromise the very high standards we have in this country will not take place.

Baroness Jenkin of Kennington (Con): My Lords, I declare an interest as a member of the board of WRAP, which has helped considerably to reduce the amount of good food thrown away in this country. I remind the noble Lord we are signatories to the SDGs, and SDG 12 commits us to halving our food waste by 2030. May I ask my noble friend the Minister how he thinks we might be able to do that?

Lord Gardiner of Kimble: There are a number of ways in which we must address food waste. Each household is wasting a huge amount of food, on average something like £700 a year. The Government have set up a pilot scheme which they are supporting with £15 million of additional funding. This is because already 43,000 tonnes of surplus food is redistributed from retailers and food manufacturers every year. We think a further 100,000 tonnes of food, equating to 250 million meals a year, is edible and should be redistributed. Wasting food is an unconscionable thing, and we want this pilot scheme to work in order to reduce it.

Lord Cameron of Dillington (CB): My Lords, would it not be possible for the Government to set themselves a target bracket of nutritional self-sufficiency which ensures we are neither too dependent on imports nor, at the other end of the scale, too dependent on our own productive capabilities and our own unpredictable weather? Such a bracket would be very useful as a target for the Government.

Lord Gardiner of Kimble: I think there is a distinction between food security and self-sufficiency. Clearly, given the weather in our country, and indeed disease, I think the most important thing is that we have a wide range of sources for food, because that is how we will get food security. With 75% of indigenous-type foods produced in this country, we produce excellent food and drink—it is one of the largest sectors—and we should be proud of it, and of course I encourage the consumption of British food and drink.

Online Anonymity Question

2.57 pm

Asked by **Lord Balfé**

To ask Her Majesty's Government whether they intend to legislate to prevent anonymous social media accounts and anonymous online forum posts.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, online anonymity is an important part of a free and open internet, but being anonymous online does not give anyone the right to abuse others. The Government have made it clear that social media companies should have processes in place to tackle anonymous abuse on their platforms. The joint DCMS/Home Office White Paper will be published in the winter, detailing legislative and non-legislative measures to tackle online harms and setting clear responsibilities for tech companies.

Lord Balfé (Con): I thank the Minister for his reply. I am sure that, like me, he is appalled at the way electronic media has been used to send threats of death as well as physical and often sexual violence to people, and disproportionately to women. We know the possibility now exists to track down the senders of such messages. Can the Minister assure me that in the review currently being undertaken, serious consideration will be given to legislation providing for the unmasking and criminal prosecution of those sending hate messages?

Lord Ashton of Hyde: My Lords, my noble friend raises an important point, and of course we all agree that online abuse is distressing and unacceptable. The issue is where this abuse becomes criminal and unacceptable. There is a balance to be struck. As far as anonymity is concerned, when it becomes criminal behaviour there are means by which people who do this anonymously can be traced. In fact, the vast majority of people who think they are doing these things anonymously are actually traceable. It is only the most devious and malevolent people who use technology to avoid being traced, but they are a very small minority. As far as the online harm review is concerned, we will be looking at a number of online harms, including abuse, and looking at where legislation or other non-legislative measures are necessary.

Lord Foulkes of Cumnock (Lab): My Lords, I want to be helpful for a change, and I hope that I shall get a positive response from the Minister. Can I pass on a suggestion that I picked up, along with the noble Lord, Lord Balfé, at the Parliamentary Assembly of the Council of Europe? Will the Minister consider following the example of some other countries in Europe and appoint an internet ombudsman?

Lord Ashton of Hyde: I am grateful for that positive suggestion, which we will certainly consider. I do not know what our position on that is; I am not completely clear about what the role of an internet ombudsman would be. Normally where questions about how to regulate the internet are concerned, they become much more complicated than they first appear.

Lord Addington (LD): Will the Minister take this chance to confirm that the liberal principle, that you can do what you like until it affects somebody else, will be written into any further legislation? Will the Government make sure that that is a key consideration? If they do, much of the concern will go away and reassurance will be given.

Lord Ashton of Hyde: “Do as you would be done by” is a sensible basis for progressing. However, there are people who would not subscribe to that—I think “evil” is the correct word for them—and we have to take those into account. The Law Commission is looking at the body of law which allows the authorities to trace people to make sure that it is effective. It will publish its first report at the beginning of November. We will make sure that the law is capable of pursuing those who will not follow the precept mentioned by the noble Lord.

Lord Griffiths of Burry Port (Lab): My Lords, in such instances as we are imagining in a Question like this, there are the individuals who, under the cloak of anonymity, use the internet for purposes that may be legitimate or not, but there are also the platforms that host those messages. I believe that in Germany a mechanism is used to make it mandatory on the part of platforms to shut down harmful messages within a certain time beyond which fines are imposed and measures taken. Might the Minister and Government consider such a device?

Lord Ashton of Hyde: The noble Lord is right. I believe that the law in Germany is that one has to take down abusive content within eight hours once the host has been informed of it. There is some doubt whether that complies with EU law. Nevertheless, it is something we will look at, because the social media code of practice also includes such measures, which at the moment are voluntary. Many of the large and well-known media sites try to comply with such things; the problem is that new sites appear and gain huge scale very quickly and do not always behave in the same way. The whole point of the White Paper which will be published in the winter is to look at areas where we might need legislation.

Lord Elton (Con): My Lords, we seem to take it as read that anonymity is a necessary and virtuous element of the web. Should we not question that assumption? It seems the only real necessity for it is to allow people in a totalitarian state to challenge their Government; otherwise, I cannot see why in a free and open society we should not have free and open communication. People would then be shamed out of the terrible conduct that is now going on.

Lord Ashton of Hyde: I say with all due respect that I do not think that it is quite as simple as my noble friend suggests. For example, in an abusive relationship, should a woman—it is usually but not always women—not be able to ask for advice and have discussions with other people anonymously? Similarly, people could report crime anonymously. There are occasions where being able to go online anonymously may be a good thing.

Health: Flu Vaccines Question

3.04 pm

Asked by **Lord Naseby**

To ask Her Majesty’s Government whether there is any shortage of flu vaccines; and if so, what steps they are taking to rectify this.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O’Shaughnessy) (Con): My Lords, there is no overall shortage of flu vaccines. The Joint Committee on Vaccination and Immunisation recommended that the newly available adjuvanted trivalent inactivated influenza vaccine, or aTIV, is the most effective vaccine for the over-65s. To enable the vaccine to be available this year, it has been necessary for the manufacturer to stagger deliveries between September and November. Everybody who wants to be vaccinated should be able to do so before December.

Lord Naseby (Con): I thank my noble friend for that Answer, but how is it, given the statement from NHS England that last year was the worst for deaths for seven years at 15,000, that here we are with a new vaccine geared to those most at risk—I happen to be one and I declare an interest—yet I go into my GP, a brilliant practice in Potton, Greensands, and there are no vaccines available and no notice of exactly when those vaccines will come? Can my noble friend tell me and other patients whether those vaccines are actually going to be available in sufficient time for all patients at risk to be vaccinated before 1 December? Unless that is done, they will be useless to us in the older age group.

Lord O’Shaughnessy: I take my noble friend’s point very seriously. It is worth stating that the reason for moving to this new vaccine is precisely because it is more effective. Unfortunately, the response rates for the vaccine that was used in the over-65s last year were not as high as hoped. Indeed, there were quite a number of admissions to intensive care units of that age group. That is the reason for moving to the vaccine, but because it is the first year it has been available, it has been necessary, because of global demand, to stagger the delivery, as I said. GPs and pharmacies were informed of this staggering of deliveries at the beginning of the year. I can tell my noble friend that 8.2 million doses have already been ordered for this age group, of which 4.9 million have already been delivered, against around 7.6 million used last year. So there is adequate supply, and it will be delivered to all GPs and pharmacies as necessary to meet the demand by the end of November, so that by the beginning of December anybody who wants that vaccination should be able to access it.

Lord Clark of Windermere (Lab): My Lords, does the Minister appreciate that by delaying the availability of a vaccine for the over-65s, the Department of Health is increasing the risk of that group of people contracting flu? Can he explain to the House why it has taken the decision not to have it available until early December?

Lord O’Shaughnessy: I am very happy to tell the House: it was on the advice of the Joint Committee on Vaccination and Immunisation, which is precisely where we get expert advice on how to act. The reason for moving to this new vaccine is the one I set out. The reason that the delivery is staggered, but to be completed by the end of November, is because it is from December into January that we have the peak of influenza in this country. The Deputy Chief Medical Officer said:

“Based on many years of surveillance in the UK it is highly unusual for widespread community flu activity to become significant or substantial before the start of September”.

It is on that clinical advice that this decision has been taken.

Baroness Jolly (LD): My Lords, high-street pharmacies are offering flu jab appointments to the public, as are pharmacies in larger supermarkets. This morning I was able to book several dummy appointments online with several—just for research, noble Lords will understand. It would appear that all of those were successful, so those particular retail pharmacies have no problem providing vaccine for older people. Can the Minister tell the House whether the market for vaccines is an open market, or do GPs and the NHS get preferential treatment? We know that CCGs commission pharmacies for some of the work that they do. Is the flu vaccine included in that CCG commission? Would that tell us what proportion of the population would choose the retail route rather than the GP route?

Lord O’Shaughnessy: First, let me just clarify that the quotation from my last answer should have ended, “before the start of December”.

It would be terribly alarming if it was September: it was December and I am happy to write to noble Lords with those details.

As for how the vaccine is secured, it is done on the open market. GPs and pharmacies buy it directly from the manufacturer, which in this case is Seqirus. As I have said, we have checked with the manufacturer, which has confirmed that there is adequate supply available for this country. Seqirus has, indeed, made extra supply available in response to the demand we have heard discussed today.

Lord Geddes (Con): Could my noble friend advise the House why the flu vaccination parliamentary day on 9 October was cancelled at the last minute?

Lord O’Shaughnessy: I do not know and I shall write to my noble friend.

Baroness Thornton (Lab): I think the answer to the noble Lord, Lord Geddes, is actually that they ran out of jabs. I declare an interest as a member of a CCG. It is true that there has been some confusion about when people could get their flu jabs. How will the Minister ensure that a significant number of the most vulnerable people actually get their flu jabs? He said in his first Answer that the take-up was not as good as it should have been last year, so that seems very important. Secondly, how are we to ensure that NHS staff take up the flu jab as they should, too?

Lord O’Shaughnessy: First, take-up was actually at its highest level ever last year. The issue was the effectiveness of the vaccine, which is why the committee’s recommendation was to move to this new vaccine. In terms of confusion about who can get the flu jab, it is clear that we have the most comprehensive flu vaccination programme in Europe. Anybody who has gone to a

GP’s surgery or pharmacy and has not been able to access it up to now will—or should—have been told when they can come back and when new supplies will be available. As I said, it is about making sure that can happen before the end of November. We had a fantastic take-up among NHS staff this year; the jab is freely available to NHS staff, social care staff and, for the first time this year, hospice staff.

Lord Patel (CB): My Lords, the reason why the vaccine last year was not as effective was that in the majority of older people, the immune response was poor. The enhanced vaccination, although effective for only three strains of viruses—as opposed to four, before it was enhanced—is better to wait for because it will be more effective in older people. It is the older people that the flu kills so because there is a shortage of supply, Scotland took the view that it will be available only to the over-75s. Does the Minister agree that it is worth waiting for?

Lord O’Shaughnessy: I thank the noble Lord for that point but it is important to point out that the over-65s will not have long to wait and that anybody who wants to have it will be able to do so by the end of November, in time for the flu season.

Draft Registration of Overseas Entities Bill Committee

Motion

3.12 pm

Moved by Baroness Evans of Bowes Park

That it is expedient that a joint committee of Lords and Commons be appointed to consider and report on the Draft Registration of Overseas Entities Bill presented to both Houses on 23 July (Cm 9635).

Motion agreed, and a message was sent to the Commons.

Draft Parliamentary Buildings (Restoration and Renewal) Bill Committee

Motion

3.12 pm

Moved by Baroness Evans of Bowes Park

That it is expedient that a joint committee of Lords and Commons be appointed to consider and report on the Draft Parliamentary Buildings (Restoration and Renewal) Bill presented to both Houses on 18 October (Cm 9710).

Motion agreed, and a message was sent to the Commons.

Mental Health Units (Use of Force) Bill Order of Commitment Discharged

Relevant documents: 31st, 33rd and 35th Reports from the Delegated Powers Committee

3.13 pm

Moved by **Baroness Massey of Darwen**

That the order of commitment be discharged.

Baroness Massey of Darwen (Lab): My Lords, I understand that no amendments have been set down to this Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.

Motion agreed.

Jamal Khashoggi Statement

3.13 pm

The Minister of State, Foreign and Commonwealth Office (Lord Ahmad of Wimbledon) (Con): My Lords, with the leave of the House, I shall now repeat a Statement made in the other place yesterday evening by my right honourable friend the Secretary of State for Foreign and Commonwealth Affairs. The Statement is as follows:

“Mr Speaker, with your permission, I will make a Statement on the death of Jamal Khashoggi. From the moment that he was reported missing after entering the Saudi consulate in Istanbul on 2 October, extremely disturbing reports emerged about his fate. On Friday, we received confirmation that Mr Khashoggi had indeed suffered a violent death, and the Saudi Foreign Minister has since described it as murder. The Government condemn his killing in the strongest possible terms. Today, the thoughts and prayers of the whole House are with his fiancée, his family and his friends, who were left to worry for more than two weeks, only to have their worst fears confirmed. After his disappearance, the Government made it clear that Saudi Arabia must co-operate with Turkey and conduct a full and credible investigation. Anyone found responsible for any offence must be held fully accountable.

On top of our concerns about the appalling brutality involved lie two other points. First, Mr Khashoggi's horrific treatment was inflicted by people who work for a Government with whom we have close relations; and secondly, as well as being a critic of the Saudi Government, he was a journalist. At the time of his death, Mr Khashoggi wrote for the *Washington Post* and had contributed to the *Guardian*. Because in this country we believe in freedom of expression and a free media, the protection of journalists who are simply doing their job is of paramount concern. On 9 October, I conveyed this message to the Saudi ambassador in person and to the Saudi Foreign Minister by telephone. I instructed the British ambassador in Riyadh to emphasise our strength of feeling to the Saudi Government at every level. Last week, my right honourable friend the International Trade Secretary cancelled his attendance at a forthcoming conference in Riyadh. On 17 October,

I met Fred Ryan, the chief executive of the *Washington Post*, and I spoke again to the Saudi Foreign Minister this weekend.

On Friday, the Saudi Government released the preliminary findings of their investigation. They later announced the arrest of 18 people and the sacking of two senior officials, which is an important start to the process of accountability. But I will say frankly to this House that the claim that Mr Khashoggi died in a fight does not amount to a credible explanation. There remains an urgent need to establish exactly what happened on 2 October and thereafter.

The incident happened on Turkish soil, so it is right that the investigation is being led by the Government of Turkey. They now need to establish who authorised the dispatch of 15 officials from Saudi Arabia to Turkey; when the Government in Riyadh first learned of Mr Khashoggi's death; why there was a delay in allowing Turkish investigators to enter the consulate; and why it took until 19 October to disclose that Mr Khashoggi had died 17 days earlier. This matters because only after a full investigation will it be possible to apportion responsibility and ensure that any crimes are punished following proper process.

Last week, I spoke to both my French and German counterparts, and the House will have noticed the strong statement jointly released by Britain, France and Germany. The actions Britain and our allies take will depend on two things: first, the credibility of the final explanation given by Saudi Arabia; and secondly, our confidence that such an appalling episode cannot—indeed, will not—be repeated. We will, of course, wait for the final outcome of the investigation before making any decisions.

Honourable Members know that we have an important strategic partnership with Saudi Arabia, involving defence and security co-operation, which has saved lives on the streets of Britain. We also have a trading partnership that supports thousands of jobs. While we have been thoughtful and considered in our response, I have also been clear that, if the appalling stories we are reading turn out to be true, they are fundamentally incompatible with our values, and we will act accordingly. Indeed, such reports are also incompatible with Saudi Arabia's own stated goal of progress and renewal. That is why the extent to which Saudi Arabia is able to convince us that it remains committed to that progress will ultimately determine the response of the United Kingdom and its allies, and we will continue to convey our strength of feeling on this issue to every level of the Saudi leadership.

In his final column, published in the *Washington Post* after his death, Jamal Khashoggi lamented the lack of freedom of expression in the Arab world. Let us make sure that the lessons learned and actions taken following his death at least progress and honour his life's work. I commend this Statement to the House”.

3.19 pm

Lord Collins of Highbury (Lab): My Lords, I thank the Minister for repeating yesterday's Statement. I start by expressing my and my colleagues' deeply felt condolences to Mr Khashoggi's fiancée, Hatice, and all his family.

The one thing that has been absolutely clear from the beginning of this horrific episode is that a crime was committed. There was never any doubt about that. The Saudi kingdom has provided conflicting accounts of what happened, and after weeks of maintaining that he was alive the Saudis now say that the 59 year-old was killed in a rogue operation. I suspect that the only thing we can be certain of is that President Trump will find that answer credible.

The fact is that an investigation is being conducted, and yesterday the Foreign Secretary said he would not decide what actions to take until that investigation, conducted by the Government of Turkey, had been completed. The Foreign Secretary also reminded us what was at stake, including counterterrorism and the jobs of people in this country; he said we were dependent on trade with Saudi Arabia. However, we also need to understand that the failure to act has consequences—consequences for the international rule of law.

This morning President Erdoğan of Turkey told MPs from his ruling party that the killing of Jamal al-Khashoggi was planned days in advance. He confirmed that Turkey had strong evidence that he was killed in a premeditated and savage murder at the Saudi consulate in Istanbul on 2 October. What is the Government's assessment of the conclusions reached by Turkey in the report made this morning? What is the Government's opinion of Turkey's call for the suspects to be tried in Istanbul? Are the Government backing Turkey's demand that Saudi Arabia provide answers about where Mr Khashoggi's body is or was and who ordered the operation?

We on these Benches have consistently raised our concern over Saudi actions, including its strategy in Yemen, the doubling of the rate of executions, the kidnap of the Lebanese Prime Minister, the jailing of women and the threats to behead them simply for protesting for their human rights, and the freezing of trade with Canada when it had the temerity to criticise that policy. All these things show a Crown Prince with no respect for the rule of law or for international boundaries, and no tolerance of dissent.

Now that we have the conclusions of Turkey's investigation, what are the consequences that were promised by the Foreign Secretary? What further steps will the Government take with our allies to help bring those responsible for this murder to account? Will the Government accept that the UK arms sales for use in the war in Yemen must be suspended pending a comprehensive UN-led investigation? This is not a matter that we can leave any longer to the Saudi authorities. More than two years since the UK presented its draft resolution to the UN demanding a ceasefire in Yemen, will the Government now ignore the informal Saudi veto that has applied to that resolution and submit it to the Security Council?

These events have shown us how important it is to act. We must show Saudi Arabia that there are consequences from its actions. As my right honourable friend Emily Thornberry said yesterday, that is the way,

“to end its impunity and persuade it to change its ways”.—[*Official Report*, Commons, 22/10/18; col. 81.]

Lord Wallace of Saltaire (LD): My Lords, I join in the condemnation of what has happened and the way it has been covered up by the Saudis for the first two weeks. I congratulate the Government on the withdrawal of Liam Fox's participation in the forthcoming investment conference—although it seemed unfortunate that it was not announced earlier. We waited until a number of other Governments and companies had announced their withdrawal before finally we withdrew too.

We on these Benches recognise the importance of our relationship with Saudi Arabia and with the other Gulf states, although I recall that one of the many tensions inside the coalition was that many of us on the Liberal Democrat side felt that some of our Conservative colleagues were too close, personally and politically, to the Gulf autocracies and the Saudi royal family, and too hostile to Iran. We need as a Government to maintain a balance in Middle East politics which does not entirely follow the hard Saudi line and cut the Iranian Government out, complicated although that is.

I join the Lord, Lord Collins, in remarking that indirect involvement in the Yemen war by supporting Saudi armed forces and supplying weapons for delivery in Yemen has to some extent compromised our position in international relations. We talk about the importance of our economic relationship, but that relationship is overwhelmingly dependent on arms sales. The long-term question hanging over that is: who is dependent on whom when you have that sort of one-sided relationship?

I welcome and support the Government's announcement of their joint position with the French and German Governments. Clearly, British influence is maximised when we work with others. I see from the *Financial Times* this morning that the German Government have announced a suspension of arms sales. Have we discussed parallel action with them, and have the British Government yet considered whether they should join the Germans in suspending arms sales until this is sorted out?

There is a slightly surreal element in hearing day by day, as we did yesterday in the Prime Minister's Statement, the Government reporting with strong approval that we have achieved a joint agreement with our French and German allies on this, that or the other—the Prime Minister's Statement did that in two places—while at the same time the Foreign Secretary describes the European Union as like the Soviet Union, from which we must escape, and a number of Conservative Ministers, and more Conservative MPs, regard the European Union as fundamentally hostile to Britain.

How one has a foreign policy with any degree of coherence when such contradictions are deeply embedded is a little beyond my understanding. The incoherence of British policy on the Middle East is only part of the incoherence of British foreign policy as a whole. The alternative—following the US lead, rather than co-operating with our European partners—seems to us on these Benches even more doubtful under President Trump, in particular given some of the close links between the Trump family and the Saudi Arabian royal family.

This was an attack on a journalist, as the Minister said. There are many other attacks on journalists in the world and, sadly, there have been three murderous

[LORD WALLACE OF SALTAIRE]
 attacks on journalists that I can think of in three different European Union member countries in the past two years. I hope that the Government, in their commitment to a free media and a free press, will attempt to maintain our standards on issues arising from other attacks on journalists around the world. I remind the Minister—I am sure that he is aware—that in a campaign speech in the west of the United States last week, President Trump praised a Congressman who had violently assaulted a British *Guardian* journalist at one of his meetings. Encouragement of violence against journalists by the American President is extremely dangerous to democracy. Are the British Government considering making that point at the highest possible level in the US Administration?

Lord Ahmad of Wimbledon: I thank both noble Lords for their statements. I appreciate that Members of this House, and of the other place, stand together in solidarity to ensure that the tragic victim of this murder ultimately sees true justice, and in condolence and support for his family and friends. Noble Lords will appreciate that recent events are moving very quickly. The noble Lord, Lord Collins, referred to the statement made earlier today by President Erdogan of Turkey, in which he revealed some further information about their investigation. The full report has yet to be released, but I assure the noble Lord and your Lordships' House that we fully support the Turkish investigation into this case. In the representations made by my right honourable friend the Foreign Secretary, our ambassador to Riyadh and others, we have consistently reminded the Saudi administration—at the highest level—of the need for their full co-operation with the investigation by the Turkish authorities. We continue to follow that very closely.

Having heard and read the statement this morning, I share the deep concerns expressed by the noble Lord, Lord Collins—and, I am sure, felt by every Member of your Lordships' House—about the detail of what is unravelling. There has to be credibility in the Saudi statement. Looking back at the accounts over recent weeks, what started as a denial translated into an accidental attack when a fight ensued. The Saudi Foreign Minister has now admitted that it was a “murder”—that is his word. It is appropriate that we see the Turkish investigation present its full results.

In response to the points made about the UK's position, I reiterate the point made by the Foreign Secretary. We are looking carefully at the full outcomes and there will be consequences once the report is released. The noble Lords, Lord Collins and Lord Wallace, rightly raised the issue of arms sales. In my capacity as Human Rights Minister, I have spoken from the Dispatch Box about the situation in Yemen. I am taking a close look at arms sales generally and drawing the attention of colleagues in the Foreign Office to the issue. The United Kingdom Government will look at all the response options currently available. Members in the other place raised the issue of the Magnitsky clauses in the Sanctions and Anti-Money Laundering Bill. Noble Lords will know why we cannot enact these mechanisms until we leave the European Union.

Both noble Lords mentioned sanctions policy and working with our European partners. I assure them that this is under discussion.

The noble Lord, Lord Wallace, raised the issue of working with EU partners. I reiterate the point made by my right honourable friend the Prime Minister. Practical progress is being made with our EU partners on our leaving the EU, but it is important to underline the importance of that relationship. Notwithstanding our differences in certain parts of the negotiation, we have stood firm when it matters. The noble Lord—and all noble Lords—will recall the time of the Iran nuclear deal, when Chancellor Merkel, Prime Minister May and President Macron issued a joint statement. It was entirely appropriate on the grave matter of the murder of Jamal Khashoggi, and we have again stood firm with Germany and France and issued a joint statement. That underlines the strength of our relationship with our European Union partners, notwithstanding our withdrawal from the EU.

The noble Lord, Lord Wallace, also rightly raised the issue of strategic partnership. We share much with Saudi Arabia: trade, defence and security, and intelligence. Much of that has also helped us to maintain a level of safety and security on our streets. However, the UK takes great pride in human rights, particularly the defence of journalists and their right to report freely and to criticise Governments and individuals within Governments. It is right that we stand up for those rights wherever they may be usurped. I assure noble Lords that that remains a key priority in my portfolio as Minister for Human Rights.

Viscount Hailsham (Con): Will my noble friend press the Saudi Government to produce the body for independent examination? They must know where it is, and once it has been inspected, we will all have a much clearer view as to how he died.

Lord Ahmad of Wimbledon: My noble friend raises an important point. I talked earlier about the situation of Jamal Khashoggi's family, who for several weeks did not know what his fate was. I assure my noble friend that, with Turkey, we continue to press on this important issue. Indeed, President Erdogan also made this point during his statement earlier today. It is important now to ensure that the full facts of the murder can be brought to the fore. But equally, for the family's sake more than anyone else's, we appeal to whoever knows so that good common sense will prevail in this terrible affair and at least some closure can be brought to the family by the body being presented, so that Jamal Khashoggi can at least be given an appropriate funeral.

Lord Adonis (Lab): My Lords, why do we not follow the German Government and suspend arms sales to Saudi Arabia?

Lord Ahmad of Wimbledon: As the noble Lord will know, the stated position from Germany is not a new one: it is a restatement by Chancellor Merkel of the statement she made earlier. Angela Merkel has been clear in reiterating that she will keep to that approach.

As I said earlier in response to the question from the noble Lord, Lord Collins, we await the full outcome of the Turkish investigation and once we have all the facts in front of us, we will act accordingly.

Lord Lamont of Lerwick (Con): My Lords, the Minister said that it is important that a situation like this does not arise again. Does he recall that in quite a long BBC documentary, it was alleged that there were several other cases—not quite as dreadful as this—of people who were critical of the Saudi Arabian Government being kidnapped, taken back to Saudi Arabia and disappearing? Secondly, is the point the noble Lord, Lord Wallace, made not a good one? We talk about our close relationship, but as he said, who is dependent on whom depends on which way you look at it. Is there not a strong case that we ought to diversify our arms sales so that they are not so dependent—40%—on one country?

Lord Ahmad of Wimbledon: To take my noble friend's second point first, I believe that the bilateral trade between our Governments stands at £9 billion. However, as he says, on the overall position of the UK and our trading relationships, notwithstanding the nature of the case we are discussing, it is important that we have a diversified view.

On his point about this never happening again, he is right to raise the tragic consequences of this. We repeatedly return to the issue of journalists and press freedom in your Lordships' House, in the context not just of Saudi Arabia but of other countries as well. The important point in this case is what further steps we can take in this respect. The international condemnation which has followed this crime is clear for all to see. On the other steps we are taking that I can share with my noble friend, I mentioned earlier my capacity as Human Rights Minister, and we are reviewing the exact statements we will make and the questions we will raise in the universal periodic review of Saudi Arabia, which is due on 5 November in Geneva. I assure my noble friend that as a priority, we will raise with the Saudis in international fora the issue of press freedom and the freedom of journalists to criticise a country and an Administration. As to whether we can ensure that this will never happen again, that would be a tall claim for anyone to make. The tragic nature of these issues means that we must be strong in our condemnation, and when the full facts are presented, we must act accordingly.

Lord West of Spithead (Lab): My Lords, the Minister will be aware that we have some of the strictest rules about selling arms to any nations that apply to any countries in the world. Germany's virtue signalling is all very good, but it would be selling almost no arms there anyway, and when one looks at some of the other sales they have made to other places, I would not get too excited about the virtue signalling.

This is a very difficult area. We have to be wary once we have made a decision to sell arms, having gone through all the hoops, about starting to tell people how they should use them. However, it is very important that there is transparency about exactly what we are doing in terms of support and training for

Saudi Arabia. We have been rather secretive about this—for example, the Paras teaching them how to use mortars and so on. Does the Minister agree that we should be very open about exactly what we provide and then we can look at this in the round and make some sensible decisions in due course, rather than knee-jerk ones, about exactly how we go?

There is no doubt that this was a horrible crime. I have no doubt at all that there was advice from the very highest levels in Saudi Arabia. Indeed, it has form on this, as has been mentioned before. But we need to be really careful not to make knee-jerk reactions and to be transparent on what we actually provide.

Lord Ahmad of Wimbledon: The noble Lord speaks from wide experience in this respect and I agree with him on principle. I fully support his position but what Germany exports and what is does is really a matter for the German Chancellor and Government. I have looked at the structure and support of arms sales. This was put in place by the very respected Robin Cook when he was Foreign Secretary. There are quite strict procedures in place to ensure that these weapons comply with international humanitarian law.

Notwithstanding that, the noble Lord will also be aware that our export licensing system also builds in flexibility to allow us to respond quickly to changing circumstances. Since 2015 we have suspended more than 331 licences. This is not a case of once agreed, never suspended. I agree with the noble Lord that we must be very careful to ensure that our response is considered, clear and unequivocal. We should act only, I stress again, once the full facts have been presented. As I said, we await the full facts from the Turkish investigation.

Lord Hain (Lab): My Lords, following up the noble Lord's Statement, we brought in legislation on arms sales, which this Government profess to comply with, saying that arms could not be sold to be used for external aggression or internal repression. External aggression is what the Saudis are doing in Yemen on a massive scale. We need to reset our relationship with Saudi Arabia, particularly in light of this barbaric murder. By the way, President Erdoğan championing journalistic freedom is something else.

Will the Minister consider the case for resetting the relationship with Saudi Arabia without turning our backs on an important strategic relationship in intelligence and defence terms? I understand that, having been a Middle East Minister. We should adopt a much more even-handed attitude in that region, especially between Riyadh and Tehran. We treat Iran as a pariah state but we treat the Saudis as brothers in arms. Maybe the Crown Prince took that and the signals from President Trump as giving him a blank cheque, as it were, to operate with impunity in a lawless way, as has clearly happened in Istanbul.

Lord Ahmad of Wimbledon: My Lords, the noble Lord mentioned how Saudi Arabia has been acting and this crime in particular. The reaction to it and the changing position from the Saudi Government reflect the strength of opinion and representations made not

[LORD AHMAD OF WIMBLEDON]
just by the United Kingdom but others. It has resulted in the admittance that a crime—indeed, a murder—took place in the consulate in Istanbul. As I said, we await the full facts of what will be determined from the investigation by Turkey, which we fully support.

Picking up a thread from the earlier questions from the noble Lord, Lord West, about training and support, it is right that we provide support in terms of training to militaries across the world, as we do to the Saudi military. There is an advantage in doing this because we share elsewhere the values and the strong sense of training deployed by our troops, which stress the importance of international humanitarian law.

As for resetting relationships, the noble Lord acknowledged the importance of the strategic partnership, but lessons will be learned from this incident, which resulted in the murder of Jamal Khashoggi. As I said, once all the facts have been presented, the United Kingdom Government will consider them very carefully and act accordingly.

Lord Jay of Ewelme (CB): My Lords, I declare an interest as a member of the Thomson Reuters supervisory board. Does the Minister agree that many journalists around the world operate constantly in extremely difficult and dangerous circumstances? Will he confirm that, not just in multilateral organisations but in our regular contacts with the Governments of countries that do not treat journalists as they should, he and his colleagues will emphasise the need for journalists to be treated properly and safely?

Lord Ahmad of Wimbledon: Let me assure the noble Lord and the whole of your Lordships' House that we do—and will continue to do—exactly that. The noble Lord, Lord Hain, mentioned Turkey. It is because of the equity of our relationship with Turkey and the strength of our strategic partnership—which I am sure noble Lords will have followed in the broader context of defending human rights—that we have seen some dividend from our representations through the channels we have, including the release, albeit on bail, of several members of Amnesty International in particular. We continue to raise these issues, including in private. But there is a time, and you have to strike that balance. Many noble Lords will know exactly the point I am making: you have to strike that balance between private diplomacy, on which the United Kingdom prides itself, and public accountability. The case of Jamal Khashoggi is a time for public accountability.

Lord Campbell of Pittenweem (LD): My Lords, it is difficult to think of a more difficult foreign policy issue that the Government must now face. I cannot think of anything as serious from all my time as either a Member of Parliament or a Member of your Lordships' House. Difficult circumstances and challenges often give rise to opportunities, however. The noble Lord, Lord Hain, put his finger on it when he said that this is an opportunity to reset our relationship, not just with Saudi Arabia but with other countries in the Middle East to which we have for many years adopted approximately the same attitudes and positions.

I shall make two other, perhaps unrelated, points. What could be more sinister than the fact that among the 15 who came to the consulate was a forensic pathologist? What possible purpose was he meant to serve by being part of the 15? I think we could all make a pretty good guess.

On the other hand, the Minister rightly referred to the intelligence relationship. When he was Prime Minister, David Cameron publicly—surprisingly but, in the circumstances, he thought necessarily—acknowledged that information provided by the Saudi Arabian Government directly prevented an enormously difficult and potentially very damaging terrorist outrage in this country. It is the balancing of these two issues that gives rise to the Government's difficulty. However, I take the view that as soon as all the necessary information is available a judgment must be made—but I would in no way support the notion that we should conduct a running commentary or offer a step-by-step approach. We need to deal with this matter as a whole, once a proper judgment has been reached.

Lord Ahmad of Wimbledon: I agree with much, if not all, that the noble Lord has raised. It is important to look at the strength of our relationship. I also agree with the noble Lord, Lord Hain. As I mentioned in my closing remarks in repeating the Statement, this is also an opportunity for defining. We must take seriously our responsibilities as an international player on the global stage when our friends—and Saudi Arabia is a friend—commit actions by which we are all appalled, as we have seen in the case of Jamal Khashoggi. Families have suffered the tragic consequences of the actions of these individuals. It is important that, as a friend, we consider the full facts as they emerge and once they have been given. It is also appropriate, because of the influence that we have with the Kingdom of Saudi Arabia, that we seek to influence that relationship in a positive way.

This situation is a step back, I fear, from the visit of the Crown Prince, which heralded Vision 2030 and new beginnings. As the Prime Minister's Special Envoy on Freedom of Religion or Belief, I was heartened by the fact that the Crown Prince visited the Coptic Cathedral on his way to London and had a meeting at Lambeth Palace. These were the beginnings of positive signs. It is tragic that we see this situation emerging, but it is important that we take stock. The noble Lord also raised the importance of our influence in countries such as Egypt, Kuwait, Oman and elsewhere in the Middle East. The United Kingdom not only has a voice, it has a strong influencing voice, and we should seek to leverage that, particularly in the context of the Gulf Cooperation Council.

Lord Judd (Lab): My Lords, in the Statement the Government emphasised heavily that what happened was totally irreconcilable with British values and principles. Does the Minister not agree that there is a real credibility problem—again—for us in this context? Must we not be very careful that throughout all the deliberations that may now ensue we do not begin to water down and rationalise away the need sometimes for firm and decisive action? This deed, as we all agree, was horrific—

but all over the world, as we have heard, brave journalists are standing up for freedom, democracy, enlightenment and truth. When this is jeopardised it is a fundamental challenge to everything we stand for in this society. Surely this has happened in this situation and we must be determined to take whatever action is necessary, even at some cost to ourselves.

On the arms point specifically, is it not madness to see the arms industry as part of our general export drive? We should export arms only to close allies or those who really do demonstrate—on controversial and important issues—a total commitment to our values; otherwise, we are playing with fire in the end-use situation, to which reference has already been made, which has shown over and again that we are not in control of the situation.

Lord Ahmad of Wimbledon: The noble Lord makes powerful points. On the general point about arms exports, it is right that when we look at our relationships—we have all been clear that the Kingdom of Saudi Arabia is an ally; it has been an important ally in terms of security co-operation in the Middle East and it continues to be so—we set the criteria when it comes to arms sales and ensure that they are adhered to, and that issues of international humanitarian law are upheld. I will be frank: we have seen appalling situations and occasions during the war in Yemen, which have resulted in the loss of many innocent lives. I am appalled when I see buses of young children being blown up as a consequence of that war. It is important that we strengthen our voice in ensuring that the values we share are also shared by our allies, and we will continue to make that case. But the structures that have been set up for those arms sales are an important check and balance in ensuring that those important principles are sustained.

When it comes to acting accordingly, I assure noble Lords that our Government—and I have been in close contact with my right honourable friend the Foreign Secretary on this issue—are not taking this in any way lightly. The Statement detailed the number of engagements we have had directly—and continue to have—with Saudi counterparts. It is appropriate. I am sure that when they reflect on this noble Lords will agree that it is important that we have all the facts in front of us so that, once the investigation has been completed, we can consider what appropriate action can be taken.

Baroness Smith of Newnham (LD): My Lords, when the full facts are known, would it not be appropriate that we act not just as the United Kingdom working with our friend and ally—as the Minister called Saudi Arabia—but with France and Germany, as we have done previously in negotiations with Iran? We work better as a threesome than individually, and that would enable us to be more influential than if we were simply to act alone.

Lord Ahmad of Wimbledon: I will answer the noble Baroness's question in two parts. Yes, the Kingdom of Saudi Arabia is a friend and ally. It is because of the strength of the relationship we have that we can make the representations that we do. That bilateral relationship

is important and will continue to be so, whatever decisions we choose to make. The noble Baroness's second point was on working together with European allies. As I have already demonstrated, notwithstanding the stance taken by the United States on Iran, the Foreign Secretary issued his first statement on this very issue in line with, and after consulting, France and Germany.

Voyeurism (Offences) (No. 2) Bill

Second Reading

3.56 pm

Moved by Lord Keen of Elie

That the Bill be now read a second time.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the Bill addresses a small but important gap in the current law which means that not all circumstances in which upskirting occurs can be prosecuted. Under the current law, there is a risk that an instance of upskirting which takes place somewhere which is neither private nor fully accessible to the public—for example, a school or office building—would not be treated as an offence. Equally, an instance of upskirting which occurs in a place where there are not two or more people capable of witnessing it—for example, an empty train carriage—would also not be covered by the existing offence of outraging public decency. The Bill ensures that this unpleasant behaviour will now be an offence in such circumstances and that those who upskirt for sexual reasons will be made subject to notification requirements—more commonly known as being placed on the sex offenders register, subject to certain thresholds. This strengthens the existing law and ensures that the consequences are proportionate and effective.

The Bill is not designed to address wider issues that have implications beyond its scope and that require more detailed analysis and cross-government work. Instead, it is intended to be narrow, clear and focused on the issue of upskirting, on which there is clear cross-party agreement.

The Bill will insert two new offences into the Sexual Offences Act 2003 to make the practice of upskirting a specific criminal offence. It will capture instances where, without consent, a person operates equipment beneath someone's clothing to observe, or to allow someone else to observe, their genitals or buttocks, whether exposed or covered by underwear. It will also capture instances where, without consent, a person records an image beneath someone's clothing in circumstances where the genitals, buttocks or underwear would not otherwise be visible. The offences will apply where the offender had a motive of either obtaining sexual gratification or causing humiliation, alarm or distress to the victim. This will capture all whose conduct should be criminalised. Those who commit upskirting for reasons of sexual gratification will be made subject to notification requirements in line with the sentencing thresholds which apply to existing voyeurism offences.

[LORD KEEN OF ELIE]

As I have said, this is a narrow Bill designed to address a small gap in the existing law. A number of issues were raised in the other place: the sharing of non-consensual intimate images; the purposes for which an upskirting image is taken; making all offenders over 18 subject to notification requirements regardless of purpose; and consideration of hostility towards a victim due to their gender being treated as an aggravating factor for sentencing purposes. I am pleased to say that all amendments on these issues were withdrawn following the Government's response at Report, and the Bill passed through the other place without any amendments. I hope that we can do the same here. However, I thought it would be helpful to set out the Government's position on these issues.

First, a number of Members in the other place raised concerns about the distribution of non-consensual intimate images, and amendments were tabled to criminalise the distribution of upskirt images. This is clearly an important issue for the Government to consider. But this Bill is not the place to legislate on this particular issue. It cannot be right that we change the law on sharing and distribution in such a narrow area. We must take our time to consider and tackle this issue in the most appropriate way, looking closely at all the related issues that arise and working collectively across government. That is why we announced that we will work with the Department for Digital, Culture, Media and Sport and the Law Commission to review the law around the taking and sharing of non-consensual intimate images, building on the existing Law Commission review of online harm.

There was also active debate in the other place around the purposes requirement in the Bill, and in particular whether the purposes are sufficiently broad to capture most situations in which people choose to upskirt. We have been clear that the offences in this Bill capture those who commit this unpleasant crime in a wide range of circumstances, whether for sexual gratification, or to humiliate, alarm or distress an individual. We are confident that this will include cases where someone takes an upskirting photo for what is sometimes termed "a laugh" or for financial advantage, because it is highly likely that, by doing so, they intended to humiliate, distress or alarm their victim. We must remind ourselves that the Bill was drafted to address a gap in the law in relation to the circumstances in which an act of upskirting takes place—to ensure that this behaviour is covered wherever it takes place, be it in public or in private—with effective and proportionate consequences.

I am confident that the two purposes for which an offence can be committed are appropriate, straightforward and familiar to criminal justice agencies. Removing these purposes risks making the law less clear, leading to potential inconsistencies in how this law is to be applied within the criminal justice system. We must also remember that the new offences will work alongside existing offences, such as outraging public decency, to complement and strengthen the criminal law. We know that there have been successful prosecutions for upskirting under that offence where a person commits an act of such a lewd, obscene and disgusting nature, in public, and with at least two people capable of seeing it that is

capable of outraging public decency. As with the new upskirting offences, there are no exceptions under the OPD offence in relation to actions of the paparazzi.

It is of course important that we continue to keep the law under review, which is why we committed in the other place to undertake a post-legislative review in two years' time to assess how the proposed new offences are working in practice.

Some questions were raised as to whether notification requirements should apply to those aged under 18 years. It is important to recognise that notification requirements are used to assist the police with the management of sex offenders in the community. They are not intended as an additional punishment or penalty. The Bill as drafted will make offenders subject to notification requirements if they have committed an act of upskirting to obtain sexual gratification and the sentence given by the court reaches the relevant sentencing thresholds. These are set at a level which will ensure that they capture only those who are likely to pose an ongoing sexual risk to the community, such that they should be monitored by the police accordingly. Certainly, we must be careful not to overcriminalise children. But we believe that the Bill is correct and proportionate in how it deals with those under the age of 18 who commit this offence for reasons of sexual gratification. The sentencing threshold will mean that only the most serious offenders under 18, who also have a sexual motive, are made subject to notification requirements.

We also saw debate on whether to create an aggravating factor for sentencing where the commission of the offence was motivated by hostility towards the victim based on their gender. I reassure noble Lords that there is a range of aggravating factors that a court can take into account when considering the seriousness of an offence for the purposes of sentencing. This includes aggravating factors set out in sentencing guidelines, such as the location of the offence, the deliberate targeting of a vulnerable victim and the physical or psychological effect on the victim. It also includes those aggravating factors set out in statute—race, religion, sexual orientation, disability, and transgender identity.

In relation to gender specifically, as noble Lords may be aware, this topic garnered a lot of attention and stirred up a debate about whether misogyny and, indeed, misandry should be treated as hate crimes. It is important to highlight the issue and recognise that, while this offence is not specific to women, it is likely that women will most often be the victims of this behaviour. But this narrow Bill is not the right place to make that amendment because statutory aggravating factors do not usually apply to only one or two offences, as would be the effect of such an amendment. It would make the new offences inconsistent with all other sexual offences, and there is no convincing rationale for this proposed amendment to apply specifically and only to these offences.

We are of course concerned about ensuring that our hate crime legislation is up to date and consistent. We have therefore asked the Law Commission to undertake a review of the coverage and approach to hate crime legislation and to consider whether there should be an expansion of protected characteristics including, for example, in relation to gender. This will

build on the Law Commission's previous work to ensure that all aspects of hate crime are properly considered and that our courts deal with them in the most appropriate and indeed the most consistent way.

There is clearly considerable interest in this Bill and the important issue which it seeks to address. But let me be clear: the Bill is specifically targeted at addressing a narrow gap in the law and is not the vehicle to legislate for other wider issues. While it is important to discuss and debate these wider issues, we must do so when the right opportunity arises. I would be grateful for the support of noble Lords in ensuring that the Bill passes through the House quickly so that we are able to begin punishing those who commit this type of crime as soon as possible. I commend the Bill to the House, and I beg to move.

4.06 pm

Baroness Gale (Lab): My Lords, I thank the Minister for his opening remarks and for bringing this Bill before us today. As he has said, it is a narrow Bill, but it does have the support of the Government. I am sure that we will support everything that is in it, but while it has been welcomed in many quarters, it is not entirely without criticism. Nevertheless, it is a step forward in protecting women and girls from this unwanted behaviour which can be humiliating and degrading to the victim.

Women's Aid has given the Bill a warm welcome. Its chief executive has said:

"By condemning this form of abuse, we can send out the powerful message that upskirting is unacceptable and perpetrators of this crime will be held to account".

Upskirting may not be something new, but today with practically everyone owning and carrying a camera in their pocket, and with the rapid spread of mobile technology, the reach of the internet and the use of social media, it is easy to take images and distribute them. That is no doubt why there has been such a rise in this appalling behaviour, and it is time that the taking of such images without the knowledge or consent of the person concerned is made an offence. Victims say that image-based sexual abuse causes shame, humiliation and significant distress. It can have a severe impact on mental health which can be long lasting. I believe that the Bill will be a big step forward in tackling a loophole in the law.

Concerns have been expressed that the Bill will criminalise upskirting only if the perpetrator does so to obtain either sexual gratification for himself or others, causes humiliation and distress, or alarms the victim. This does cover some but not all motivations as the perpetrator may commit the crime for financial gain or, as the Minister said, for "having a laugh". One can imagine how that can happen when such images are shown around a group of male friends.

Cross-party amendments were tabled in another place to criminalise the distribution of upskirting images. This Bill would criminalise only the taking of such images but not their further distribution, which often happens. Perpetrators share these images with friends or on social networks, causing further humiliation and distress to victims. By not criminalising the distribution of such images, I believe that we fail to recognise victims' experiences, which adds to their distress and

embarrassment. I know that the Minister has talked about this, but I would ask him to look at this again when we move on to the Committee stage.

The excellent briefing from Women's Aid points that out. It feels that the focus on the perpetrator's motivation should be removed to ensure that all victims of this crime are treated consistently and believes that the legislation needs to recognise that non-consensual images are created, distributed and shared in many ways. I understand that the Government have concerns that this could risk unintentionally criminalising people. Again, Women's Aid said that defences would remain for those accused who may have taken the image by accident or for law enforcement reasons.

I welcome the fact that the victims will be granted anonymity. This is essential to ensure reporting of the crime and should encourage women and girls to come forward. It is well known that victims of sexual offences can be reluctant to come forward. I hope that this will go some way to helping them to do so, and that the police and other bodies will have the necessary training and resources to deal with this new offence.

In its briefing on the Bill, the Equality and Human Rights Commission mentions the Istanbul convention, urging the Government to ratify it. In fact, it states:

"We urge the UK Government to urgently ratify, fully resource and implement the Istanbul Convention".

I wholeheartedly agree. Article 40 of the Istanbul convention requires,

"the necessary legislative or other measures to ensure that any form of unwanted verbal, non-verbal or physical conduct of a sexual nature with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment, is subject to criminal or other legal sanction".

When ratified, Article 40 would certainly cover the measures in the Bill before us.

The preventing and combating violence against women and domestic violence Act 2017, which I took through your Lordships' House, requires the Government to publish an annual report, which is due by 1 November each year. The first report was published on 1 November 2017. It said:

"The Government will set out a timetable for ratification in line with the requirement of section 1 of the Preventing and Combating Violence Against Women and Domestic Violence (Ratification of Convention) Act 2017 in due course".

Can the Minister say when that will be? When does he expect the second annual report to be published? It is due by 1 November, which is in nine days' time.

I mention the Istanbul convention because it is so relevant to our debate. I am pleased to hear the Minister say that the Government will keep the law under review and are committed to undertaking post-legislative scrutiny in the next two years to assess how the offences are working in practice. Everyone would welcome that as it would give us an opportunity to see how well the Bill is working and whether it needs any amendment. I look forward to the Minister's response and to taking part as the Bill progresses towards becoming law.

4.13 pm

Baroness Burt of Solihull (LD): My Lords, I am absolutely delighted to welcome the Second Reading of what has become colloquially known as the “upskirting Bill”. It was introduced in the Commons in June through a Private Member’s Bill by my friend and colleague Wera Hobhouse following an enormously successful campaign by Gina Martin, who obtained over 100,000 signatures in her bid to amend the current law. That Bill was objected to by Sir Christopher Chope—a practice he undertakes with monotonous regularity in the Commons. Many an excellent Bill has fallen because of his demand to see what he regards as proper due process. However, on this occasion he inadvertently did us all a favour. The outcry was so great that the Government agreed to bring in the Bill themselves—hence our all being here today.

Upskirting has been an offence in Scotland since 2009, so it is high time the offence was introduced in England and Wales. Of course, Northern Ireland goes its own way—or it would if Members of its Assembly could agree to work together, put the people first and get on with some legislative work.

The Equality and Human Rights Commission welcomes the Bill—I think the noble Baroness, Lady Gale, has been reading the same briefings as me—and comments that it is a further step towards meeting our commitments under the Istanbul convention. Like the noble Baroness, I would be grateful if the Minister could explain in his remarks what is holding up the ratification process.

But why is the Bill necessary? Professor Clare McGlynn of Durham University put it thus:

“Sexual offences are about power and control, punishment, sexual entitlement, anger, entertainment, as well as sexual gratification”.

A number of speakers at the Commons stage, as well as Professor McGlynn, recommended that the Government remove the motivation requirement from the Bill. They say—and I agree—that we need to concentrate instead on the harm caused to victims. And the harm is real: shame, humiliation, distress, fear and anxiety, paranoia, depression, trauma, panic attacks—the damage is endless. What does motivation matter when the outcome is one of the above?

The qualifying motivations in subsection (3) seem to me and others a little thin. The Government’s point—which I do see—is that the type of motivation is relevant to whether the perpetrator should be on the sex offender register. Anyone doing this for sexual gratification should be recorded on it. But the question remains about whether the motivations covered in the Bill leave room for sneaky defence barristers, seeking a legal loophole, to argue that their clients’ actions are not within the scope of the law.

The EHRC prefers to see motivation out of the Bill altogether, but argues that there is a question mark over two important areas which should at least be recorded as motivations on the face of the Bill. These are “financial gain” and “entertainment or amusement”. The Minister may well see amendments on this coming his way during the course of the Bill, but I am sure that the House would be grateful if he would comment

in his final remarks today. “Lads having a laugh” might cut no ice with most judges—but why take the risk?

Financial gain is very real. One website hosting and exchanging images is reportedly worth £30 million. Let no one profit from this kind of humiliation and distress. Distribution of these images is an area called into question by Women’s Aid. As I understand it, the legislation criminalises the taking of an image but not the further distribution of it, which is a common occurrence. So if we fail to criminalise distribution, we fail to recognise the further distress and humiliation that victims suffer. Any possible amendments also need to include threats to distribute—a mechanism of coercive control. Women’s Aid points out the terrible damage this could cause to women of BME origin, where cultural norms may lead to their being disowned, ostracised and even killed. For the victim, this is about as far away from “having a laugh” as you can get.

I welcome the fact that upskirting will come under the Sexual Offences Act, which will give victims the right to anonymity. Studies have shown that without this right, in cases of rape, the vast majority of victims would not report. One area where this right is not given—because it does not come under the Sexual Offences Act—is for so-called revenge porn. A BBC investigation found that in about one-third of revenge porn cases where victims withdrew from prosecution, lack of anonymity was a key factor. So an amendment could be coming the Minister’s way that would give the right to anonymity to victims of all image-based sexual violence, particularly revenge porn, Photoshopped images and sextortion—which is sexual extortion. Why should not all of the above be treated as sexual offences? Perhaps the Minister could comment on this.

Women today suffer from a vast array of forms of sexual harassment. During research for this debate, I learned more than I ever wanted to know about sexual cybercrime. One in 10 women has experienced some form of cybercrime since the age of 15, including cyber harassment and stalking, use of GPS to track their movements, online rape and death threats, and doxing—which I learned is disclosing private or identifying information to the world. Only this morning, the Women and Equalities Select Committee recommended government action on street harassment and on watching porn in public places. It is sickening, and it all serves to promote the continuing unequal relationship between men and women.

We on these Benches greatly welcome the Bill. We thank the Government for taking prompt action after the attempted sabotage of the original Private Member’s Bill by Sir Christopher Chope. We also welcome the Law Commission review of whether misogyny should be included alongside other protected characteristics in law. I personally would welcome misandry also being included. After all, what is sauce for the goose is sauce for the gander.

4.21 pm

Baroness Barran (Con): My Lords, I speak in this debate with mixed feelings. While it is a great honour to be part of the Second Reading of a Bill which seeks to limit the impact of violence against women and

girls, it is also a sadness that we need this legislation, since it reflects the way in which gender-based violence is evolving, with new technology and social media in particular. Like others, I want to acknowledge the commitment of the honourable Member for Bath, my home town, in campaigning for this law, and of Gina Martin for her courage in bringing this issue forward.

As we have heard today, and in the evidence given to the Bill Committee in the other place, the Government are seeking to close a loophole in the current legislation in relation to where an offence of upskirting takes place; namely, a place that is neither private nor public, such as a school, festival or, as we have heard, public transport. There has been considerable debate about whether the motives of sexual gratification and humiliation of the victim are appropriate, with strong arguments made—including by the noble Baronesses, Lady Gale and Lady Burt, and by the highly respected Professor Clare McGlynn from Durham University—that these should be extended or removed, focusing rather on the impact of the crime on the victim.

Perhaps I may commend one approach to the Minister for consideration which, without broadening the specific list of motives, would bring greater attention to the impact on the victim. It applies particularly in relation to the motive of humiliation and would be to use language in the Bill that mirrors that in the Protection from Harassment Act. To paraphrase that Act, it states that the person whose conduct is in question ought to know that it will cause, in this case, humiliation or distress if a reasonable person in possession of the same information would think that the conduct would cause humiliation and distress. I would be grateful if my noble friend the Minister would comment on this approach, because I think it would really reflect, quite simply, the impact on the victim.

I am also sympathetic to those who have sought greater clarity in relation to the distribution of images secured via upskirting. Arguably, we can all agree that this is where the greatest harm is wrought. As has been mentioned by the noble Baroness, Lady Burt, where the revenge porn legislation would have some applicability in relation to distribution, it would help if the Minister could confirm that the anonymity of the victim as it would apply under the sexual offences legislation would still apply in the event of a further prosecution under that law. Along with other noble Lords, I look forward to further debate on that issue in future.

I want to say one word about vulnerability. We know, particularly from research by Professor Betsy Stanko, that most sexual offences happen to women who are already vulnerable in some way, so I hope that great care will be taken to establish, in those cases where it is alleged that consent has been given, that this has not been extorted through threats or coercion, particularly of a vulnerable victim.

Returning to the scope of the Bill, I suggest to noble Lords that part of the unease that has been expressed on all sides of this House and by those who have already debated it in the other place simply reflects the size of the gap between the scale of abuse, using images without consent, and the number of convictions that are expected to arise as a result of passing this Bill—which, if I have understood correctly,

is about 30 a year. We have seen that in Scotland there have been only a handful of cases convicted annually. So, along with my noble friend the Minister, I look forward very much to the publication of the Law Commission's recommendations about online abuse and to future legislation on the use of images without consent. I welcome very much, with other noble Lords, the Women and Equalities Committee's recommendations this morning in that regard.

I also want to reflect on the fragmented nature of the legislation in this area, which in some ways mirrors that in the field of domestic abuse, with which I am particularly familiar. It has been argued that many of the different permutations of abuse in this category of offending are covered by existing legislation, but we know from domestic abuse that where the legislation is very fragmented, it is often poorly understood and inconsistently implemented. It would be very helpful at some point if we could bring the offences together in one place, both for police and prosecutors and, equally importantly, for the general public, so that it is clear and easy to understand.

Finally, beyond the specifics of the Bill we face a tremendous task, which is to work out how we can change public attitudes, which continue to be so accepting of violence against women and girls, of which voyeurism is simply one example. I found the evidence from Lisa Hallgarten of Brook a helpful reality check in this regard. We need to be realistic about what is happening on the ground and as she pointed out, schools are not even equipped to deal with sexual bullying, sexual assault or domestic abuse among their pupils, let alone upskirting. I recently heard from Plan International UK about the extent of sexual harassment of young girls in this country. Its survey showed that two-thirds of girls aged between 14 and 21 have experienced unwanted sexual attention or harassment in a public place, with 15% of them having been touched, groped or grabbed. This is happening every day, on every street and on every bus.

We are also all very familiar in this House with the extent of wider sexual and domestic violence and its prevalence. So we all look forward, I am sure, to hearing more about how this will be tackled in the forthcoming domestic abuse Bill and the updated violence against women and girls strategy. In the meantime, in common with other noble Lords, I feel that this Bill to address upskirting is definitely a helpful step forward, but I hope that my noble friend the Minister agrees that there is still much to do beyond this to address the full spectrum of violence against women and girls, particularly in the area of prevention and public attitudes.

4.30 pm

Baroness Barker (LD): My Lords, I thank the noble and learned Lord, Lord Keen of Elie, for the clear way in which he introduced this legislation. I too congratulate my colleague in another place, Wera Hobhouse, on taking the opportunity to legislate on an offence which is at the moment rarely prosecuted—yet the behaviour seems to be growing. She has given us the opportunity to put together legislation which, if we get it right, will create a deterrent. That will be an important thing for us to do.

[BARONESS BARKER]

Before turning to the specifics of the Bill, I want to commend the Government for taking up this matter when Wera Hobhouse's Bill was hijacked in another place. I simply make this observation: by their nature, Private Members' Bills often deal with matters which are of high significance to very few people. There is a group of Conservative MPs, mostly white men, who take pride in shooting down Private Members' Bills like some Friday morning sport. That is nasty. The Prime Minister's swift response is welcome but it really should not be necessary.

I have been discussing this Bill in my office, like many other Members of your Lordships' House, I imagine—particularly the women Members. My noble friend Lady Hamwee told me that she remembered being shocked while she was a student at Girton, which is three miles outside Cambridge, when female students were warned that someone who was giving lifts to hitchhikers was using a mirror on his car floor to look up the skirts of passengers. There are many reasons not to hitchhike but that was another one, so this is not a new issue. It is just that the role of technology has made a qualitative difference. Today, this crime has the potential to cause much greater harm to victims because images can be taken more easily and shared more widely than in the past. That compounds the violation of privacy that takes place at first. The points made by my noble friend Lady Burt on behalf of Women's Aid were striking and to the point.

This is not a political Bill; we all share the ambition to draw up legislation which offers the greatest possible deterrence. Within that, I think it is agreed that we need legislation which is sufficiently robust in the punishments it includes but also has the flexibility to enable law enforcement agencies and so on to make it work in practice. The Bill comes to your Lordships' House having been debated in another place under its Public Bill Committee procedure. If only for the ease of reading its discussions in *Hansard*, I prefer the way that is done in another place. I found it very helpful to hear people such as Gina Martin, who was a victim of this vile behaviour, set out in some detail the reasons why she and her legal team came up with their draft legislation, and the assumptions that they put behind it. That having been done, your Lordships will have the opportunity to test during our deliberations whether the definition—the technical specification—of this offence of voyeurism, as set out in Clause 1(2), is, first, sufficiently comprehensive now and, secondly, whether it will stand the test of time. We live in an age when technology changes very rapidly.

In the Public Bill Committee, it was also helpful to understand the context in which the Bill sits and the work of the Law Commission in looking at changes to definitions of hate crime, but particularly to understand the difference between this Bill and the Bill on revenge porn. I was involved in a minor way in the passage of the revenge porn legislation, along with my noble friend Lord Marks. It was interesting to read that victims of that offence do not have a right to anonymity whereas this offence will be a sexual offence and therefore victims will have an automatic right to anonymity. It is somewhat difficult for some of us who

are not lawyers to understand quite why two offences which appear to be very similar in perpetration and effect should be treated so differently. Revenge pornography was made an offence in 2014 and about 500 cases a year are successfully prosecuted but hundreds more are not. I am sure the Minister will explain to us why that is not a sexual offence but upskirting will, under the Bill before us, be a sexual offence. Given the difference, I hope that over the coming years the Government will pay close attention to the rates of charges and successful prosecutions which are brought under the different pieces of legislation to see whether there is evidence for anonymity for victims.

I too was interested in the words of Lisa Hallgarten, the head of policy and public affairs at Brook. A lot of what she had to say was about the way young people are unsure about their right to privacy and about what invasion of privacy is and the implications of that not only for prosecutions under the Bill but for schools when handling instances that may happen. Teaching young women what their rights to privacy are and young men what constitutes an invasion of privacy is important.

This Bill comes to us today when the Women and Equalities Committee has produced its report on sexual harassment. It said:

“Laws alone cannot address the cultural acceptability of sexual harassment, most of which is unreported, but they have an important part to play, including in responding to new forms of public sexual harassment facilitated by technology. We welcome legislation on ‘upskirting’ and ‘revenge porn’, but at present, the Government is too often racing to catch up with these developments”.

I congratulate the Government on taking one more step and I hope we will make this legislation get to the statute book with some alacrity so that fewer women are victims of this horrible crime.

4.38 pm

Lord Judge (CB): My Lords, I am grateful to be allowed to intervene at this stage of debate. I apologise for not putting my name down. As noble Lords have allowed me to speak, I shall do so briefly.

I welcome the Bill. It addresses a problem created by the availability of modern technology. It is a good Bill: we know exactly what action is being criminalised; we know exactly what the intention of the perpetrator is. There is no messing about. It is a specific intention. We also know that it must be done—again no messing about—without the consent of the victim and without a reasonable belief in that consent.

I listened with care to some of the observations that have been made, and I shall make this point: any crime of this kind has to be dealt with by way of sentence. It has been an aggravating feature of any kind of sexual offence that the motivation is revenge. It has been a serious aggravating feature of any kind of sexual offence that the objective is money, gain or pressure. It is perfectly obviously an aggravating feature of any sexual crime that the victim has been chosen for whatever reason, whether sexual orientation, transgenderism or whatever. Those features can be taken into account by the sentencing judge, assuming that it can be established that the offence is to obtain sexual gratification or to humiliate, alarm or distress. Those are

very wide words. It would be difficult to think of many situations in which, we will say, a man decided to upskirt without having the purpose of humiliating his victim, probably alarming her and almost certainly distressing her.

There is a gap here that I would like the Minister at least to consider: the Bill does not cover distribution. The purpose of the taker of the upskirt may be to distribute it but the Bill does not cover the consequences if he and others do so. There is no distribution for fun—that cannot be so—but let us just call it “harmless fun” in the sense of what we mean by humiliation. That ought to be an offence by someone else who did not commit the act of obtaining the upskirt image. Certainly there should be an offence that covers the distribution of the image for financial gain. To close that gap, there needs to be consideration of all the matters that have been raised in the speeches today but also a specific offence relating to those who choose to distribute the results of someone else’s foul work.

4.41 pm

Lord Marks of Henley-on-Thames (LD): My Lords, upskirting is nasty, predatory, degrading and invasive behaviour. It inflicts significant emotional damage upon its victims, as described by my noble friend Lady Burt and others. While, as my noble friend Lady Barker pointed out, it has similarities to revenge porn, which we rightly and successfully criminalised in 2015, upskirting is markedly different from revenge porn in that its victims are generally unknown to the perpetrators and suffer this appalling unpleasantness, which may leave them with serious emotional scars for years to come, just because they happen to be in the wrong place at the wrong time.

It is significant and welcome that there has been absolutely no dissent in this short but excellent debate on criminalising upskirting. I too pay tribute to my honourable friend Wera Hobhouse MP for the skill and determination with which she pioneered her Private Member’s Bill and secured the Government’s support that has led to this Bill. I thank the Government for taking it on and the Minister for the clarity of his introduction.

I also pay tribute to Gina Martin. She was enjoying a visit to the British Summertime Festival, a 26 year-old woman with no political or legal experience, when a man who was with a friend took a photo up her skirt on his phone and then very publicly texted it to all his friends in the surrounding crowd, causing her considerable distress. The police attended and told her there was nothing that she or they could do because upskirting was not an offence in England and Wales, unlike in Scotland, where it was criminalised in 2009. That prompted Gina Martin to launch and champion a very successful petition and to campaign vigorously to make upskirting an offence. She has been an example to us all of what individual campaigning can do to secure real change.

What has horrified many has been not just that upskirting has become so widespread but that it has been accompanied by the development of large numbers of websites where upskirting images have been publicly displayed. This was mentioned by my noble friend

Lady Burt, the noble Baroness, Lady Barran, and others, while the noble and learned Lord, Lord Judge, talked about dealing with the question of distribution. We must be absolutely sure that legislation captures this type of behaviour.

I turn to the detail of the Bill. The first issue for consideration has been raised by all noble Lords: whether it is necessary to specify that to constitute an offence the upskirting must be carried out either for the sexual gratification of the perpetrator or another, or in order to humiliate, alarm or distress the victim. The Government maintain that, given the lack of consent requirement in the Bill, all non-consensual upskirting is likely to be committed for one or other of those specified purposes. I acknowledge, and on this I share the view of the noble and learned Lord, Lord Judge, that it is quite difficult to see circumstances where upskirting will be committed without one of those specified purposes in mind. However, I remain to be convinced that there will never be such circumstances or that the specified purposes will always be capable of proof to the criminal standard.

As one might expect, I do not share my noble friend Lady Burt’s distrust of sneaky defence barristers. Defence counsel have a duty to advance all defences available to their clients. For my part, I would not want to offer those who ought to be convicted a gratuitous and undeserved route to acquittal by erecting artificial hurdles for the prosecution to surmount.

My concern is that there may be incidents of upskirting where the perpetrator could argue that he had no view to his own sexual gratification or that of anyone else, no intention of humiliating, alarming or distressing the victim and that his interest was mere entertainment or banter with friends.

We should remember the important fact that any victim who is aware of the upskirting and of the distribution of the resulting images, or even of the risk of distribution, will inevitably suffer humiliation, alarm and distress. But intention to cause it may be difficult to prove. Should we be requiring the prosecution to prove it, allowing a defendant to argue, for example, that his victim was entirely unaware of the incident? For my part, I would regard any such defence as of absolutely no merit, but I can foresee such defences being run and doubt that they should be available.

The question of financial gain arises in this context also. If the perpetrator’s purpose is financial gain from distributing images on websites, will the prosecution always be able to prove that it follows that his purpose was the sexual gratification of another person or persons looking at the websites? That is apparently the Government’s argument, but I remain to be convinced that it is right, or, even if it is right, that it is necessary to import that somewhat complicated and convoluted logic into the Bill. If the purposes provision is to remain in the Bill, the question arises why financial gain and entertainment should not be added to the purposes specified in the Bill.

Viewing the question from the opposite point of view to that of the Government, if all non-consensual upskirting would fall within the specified purposes, what is the point of specifying them? The Minister argues that only upskirting for sexual gratification should lead to notification—that is, entry on the sex

[LORD MARKS OF HENLEY-ON-THAMES]
offender register—so that purpose and others must be distinguished. I can see that. However, the Bill could be simply amended to provide that notification followed only where the offence was committed for the purpose of sexual gratification of the offender. We will explore this in Committee.

Having carefully considered the Government's position, I agree with other noble Lords who believe that recording upskirting images without the actual or believed consent of the victim should be enough to constitute an offence and the prosecution should not have to prove one of the specified purposes. I will listen, of course, to the Minister's response, but I invite the Government to think again on this point.

My noble friend Lady Burt also raised the question of misogyny and whether there should be aggravating factors in the offence under the Bill. I can quite see the argument that an offence that is accompanied by hostile and misogynistic behaviour should be treated particularly seriously by judges when sentencing offenders. The noble and learned Lord, Lord Judge, pointed out that that is precisely what sentencing judges do. Whether or not that should be mentioned specifically in the Bill is open to question and may be considered in Committee.

However, I have no doubt that the House welcomes the commitment by Lucy Frazer, the Parliamentary Under-Secretary for Justice, a commitment mentioned by the Minister, that she will be asking the Law Commission to review whether and how far existing hate crime law should be broadened to give greater protection against hostility based on sex and gender-protected characteristics.

We enthusiastically welcome this Bill; we are proud that it was introduced as a Private Member's Bill by a Liberal Democrat MP; we applaud the Government for adopting it; and we look forward to considering it further as it passes through the House.

4.49 pm

Baroness Chakrabarti (Lab): My Lords, as someone who has spent most of her adult life resisting unnecessary criminal offences, I know a genuine and serious gap in the criminal statute book when I see it. I therefore join the chorus of congratulations for those who campaigned for the Bill, in particular Gina Martin and the Member of Parliament for Bath, Wera Hobhouse, who supported campaigners and worked so diligently on the introduction of the Private Member's Bill that was so notoriously hijacked and wrecked in the other place. I welcome the Government's decision finally to own and introduce this legislation.

At first blush at least, I rather agree with the Minister and, in particular, the noble and learned Lord, Lord Judge, in their analysis of the offence. The Minister will, no doubt, say more in response to recent contributions about purposes. On my recent reading of the Bill, my first thought is that person C, as they appear in the construction of the offence, may help to take care of the distribution issue.

Secondly, the Bill creates a serious criminal offence and it is in the best traditions of the criminal statute book for such offences—particularly those that attract

custody—to have some kind of mental element. On first analysis, I find the offence tight and the penalties proportionate. As other noble Lords have said, it is difficult to imagine those two purposes not being met by those who deliberately upskirt someone, who will usually be a woman. I was grateful to noble Lords around the Chamber for pointing out that, while people may have kilts and so on, it would be surprising if this did not operate for the most part as a very misogynistic criminal offence.

I welcome the Government's recent approach to this. The delay in getting to where we are is unfortunate and, to some extent, inexplicable. Upskirting may be a crime of the modern era—notwithstanding comments made about more archaic technology—and technology has made a difference. None the less, as your Lordships have heard, upskirting has been an offence in Scotland since 2009, and that nine-year delay is inexplicable. It is almost a year since the shadow Justice Secretary asked his counterpart to act. It was the embarrassment of the actions of the Member of Parliament for Christchurch that led the Government, and the Prime Minister herself, rightly to intervene. We are all grateful for that.

All noble Lords should be clear that upskirting is a very serious violation of the privacy and dignity of the victim. It is an urgent problem that there is no specific criminal offence in England and Wales to cover all the scenarios, and this should be borne in mind in hoping for a swift passage for this legislation. As it stands, the law maintains a focus on protecting the public from potential exposure to lewd acts et cetera, rather than protecting the individual from this indignity which is very disturbing, particularly when exacerbated by publication online.

A number of cases have highlighted the failings of the current law. In 2007, for example, Simon Hamilton—a barrister, no less—was convicted after secretly filming up the skirts of women in supermarkets. However, he was able successfully to appeal on the basis that, as none of the victims had been aware of the filming and no one else had seen it, public decency could not have been outraged. Guy Knight, another professional man—a former chartered accountant—took photographs up women's skirts on trains over a period of five months while commuting to work. He was caught after suspicious passengers reported him to the police. More than 200 illicit images were found on his phone and laptop, and 10 of the women in the pictures were traced by the police. None of them was aware in that moment that they had been photographed. Last year, he was convicted but fined only £500 and asked to pay a further £500 in costs. That is not a proportionate reflection of the gravity of this offence.

It is therefore important that women, and in particular Gina Martin, have been speaking up; the facts of her case have already been set out. Colleagues in different parties have worked closely with her and her lawyer, Ryan Whelan, since last year. It is a wonderful campaigning achievement to have garnered 100,000 signatures for their petition. It is an important recognition that women across the United Kingdom have been affected by this practice, the ease with

which technology facilitates it and the exacerbation of publication. It is almost impossible to know how many victims have been affected.

It is therefore important that, notwithstanding wider concerns about other matters, we give the speediest passage to this tightly crafted criminal offence. No doubt, the Minister will respond to any concerns about the offence itself and will consider them if they are real. However, I urge noble Lords around this House to resist using the Bill for our numerous other concerns around misogyny and misogynistic crimes. During the Bill's passage through the other place, several Back-Benchers, understandably, tabled amendments to the Bill, looking at issues such as street harassment, anonymity for victims of revenge porn, the cross-examination of victims of abuse in civil courts, and the distribution and sharing of images, and so on—which are all important matters that need to be looked at, but not so as to slow the passage of the Bill and this particular offence, which must be got right. Other matters ought to be dealt with in another vehicle.

I am therefore incredibly heartened to hear the commitment from the Government with regard to the Law Commission review of this area of law. The Law Commission is a wonderful body, designed to do just that work. There are too many crimes of misogyny and too much misogyny in the culture. In this country and all around the world, from Riyadh to Rotherham, certainly in numerical terms, gender injustice may be the greatest abuse on the planet.

I was conscious both in this important debate and in the earlier Question and exchange between the noble Lord, Lord Balfé, and the noble Lord, Lord Ashton of Hyde, that the cowardice of anonymity, when degrading or, to use the language of the Bill, “humiliating, alarming or distressing” women does not just happen online but via other vehicles as well. I take this opportunity to say in your Lordships' House that I was reminded of this over the weekend by some of the language directed at the Prime Minister by a man—I believe—who is allegedly her colleague. That violent language was humiliating, distressing and alarming, if not to the Prime Minister herself, to every decent Member of either House of Parliament. Yes, we must legislate in many respects, but legislation is not the only way that leadership should be shown by people in political life. Forgive me for going off at that tangent, but I think that it is important.

In the meantime, I look forward to hearing the Minister's reply and I hope we have speedy and unanimous support for the passage of this Bill.

5 pm

Lord Keen of Elie: My Lords, this Bill is intended to address what is generally acknowledged to be obnoxious and degrading behaviour. I welcome the contributions from all sides of the House with regard to the proposed legislation. I also underline the point just made by the noble Baroness, Lady Chakrabarti, about the need to ensure that we take this forward effectively and speedily and therefore keep it within the compass set within the terms of the Bill. If we seek to grow arms and legs on this legislation, I fear it may come to grief.

I will address a number of the issues raised across the House. There are certain common themes to the points and I hope your Lordships will forgive me if I address them on a thematic basis, rather than indulge in repetition. I begin with the observations made by the noble Baroness, Lady Gale, and I will touch on a number of them. We do not consider that the purposes as set out in the Bill are narrow or that they are incapable of addressing all relevant motivations. I note the observation made by the noble and learned Lord, Lord Judge, that the subsection on purposes uses very wide words. I believe that that was echoed in other parts of the House. That certainly is our view.

On the question of financial gain, where someone takes these images and then posts them, it is generally recognised and easily identified that it is for the purposes of someone else's sexual gratification. There is potentially no financial gain otherwise. Therefore, that area, we consider, is covered.

In addition, the sharing of an image for somebody else's sexual gratification would also be an offence, as the noble Baroness, Lady Chakrabarti, observed. The noble Baroness, Lady Gale, and the noble and learned Lord, Lord Judge, raised the question of other forms of distribution—where, for example, somebody comes across an image and decides to distribute it. That raises particular issues of its own. First, if you find that someone is distributing such an image you do not know whether it has been taken consensually. Furthermore, such distribution may engage Section 127 of the Communications Act 2003. It may engage Section 1 of the Malicious Communications Act 1988. It may indeed engage the Obscene Publications Act 1959 in some cases. That is why we have asked the Law Commission to look at the issue of distribution on a wider basis. I hear what noble Lords have said in that regard, but this is not the Bill in which we should attempt to address the wider issues of distribution, and nor would it be appropriate to try to address them merely in the very narrow confines of this Bill. My understanding is that the Law Commission is on the cusp of making its first report in this area and we will, of course, look at it.

The issue of revenge porn, as it is sometimes termed, arises because of the change in the law made pursuant to, I think, Section 33 of the 2015 Act. At that time, revenge porn was not designated as a sexual offence because very often the act is not sexually motivated. Therefore, it would not easily fall within the category of sexual offences otherwise provided for in the context of notification, for example. So, again, one has to approach that issue with some care.

A number of your Lordships, in particular my noble friend Lady Barran, pointed out that there was an apparent anomaly in that when you are dealing with an offence under the Bill, there will be anonymity for the victim. That arises because it is designated as a sexual offence. If you are dealing with a victim of revenge porn, there is no automatic anonymity because it is not designated as a sexual offence. However, I stress no “automatic” anonymity; of course, it is always open to apply to the court for anonymity to be granted. To take the example touched on by my noble friend Lady Barran, in a situation in which somebody has

[LORD KEEN OF ELIE]

taken an image that would be an offence under the Bill and has been prosecuted, and thereafter there is further distribution in the context of revenge porn, you would be in a position to apply to the court for anonymity to be applied to the second prosecution. It would be rather surprising to discover in such a situation that the court was not inclined to grant anonymity. There are, however, particular reasons why anonymity is not automatic in the context of what is generically referred to as revenge porn or an offence under Section 33 of the 2015 Act.

The noble Baronesses, Lady Gale and Lady Burt, touched on the provisions of the Istanbul convention. The present position is that this year we have consulted on domestic abuse and the consultation closed in May. Consideration has since been given to domestic abuse legislation and, in particular, a Bill that would cover domestic abuse in a wider context. That will also address the question of extraterritorial effect for such an offence. Once that is done, we will be in a position to ratify the Istanbul convention. Until that is done, however, I understand that we cannot fully ratify the convention, which is why the matter is being taken forward at present. I hope that that meets the noble Baroness's query about the convention.

On the wider issues raised, again, I come back to one point. I hope I have touched on distribution. I do not believe that there is a gap in this piece of legislation, as the noble and learned Lord, Lord Judge, suggested. It is an issue that will have to be addressed more widely because it touches on other legislation and would be a distraction from the intended effect of the Bill to fill in a gap in the present criminal law.

On the question of those taking such images for a laugh, as it has been termed—let us be clear that it is certainly not a laugh for the victim—it is perfectly clear that in circumstances where they are taken for “a laugh”, that is bound to cause distress and humiliation to the victim and is therefore covered by the very wide-ranging purposes set out in the Bill.

Lord Marks of Henley-on-Thames: I just wonder whether the noble and learned Lord would consider, between now and Committee, the position in cases such as those mentioned by the noble Baroness, Lady Chakrabarti, where the victim is unaware of the images being taken and is intended to be unaware by the perpetrator. In those circumstances, the intention to provide sexual gratification may be very difficult to prove.

Lord Keen of Elie: With respect to the noble Lord, in such circumstances it would also be impossible to prove whether the image had been taken consensually. That would be a further, more fundamental bar to prosecution in such circumstances. That is why we and the Law Commission are looking more widely at the distribution of images.

I come back to one point: the mental element in a criminal offence. Being a Scots lawyer, I am rather hot on the topic of mens rea, if I might term it as such. It certainly seems to me unusual—indeed, wholly exceptional—to bring forward a new criminal offence

without allowing for the mental element that we regard as mens rea. That is why I consider it appropriate to maintain our present position with regard to purposes. We do not bring forward offences of strict liability except in the most exceptional and compelling circumstances, and that should remain our position so far as the amendment of the criminal law is concerned.

I have heard the submissions made by noble Lords across the House and I am conscious of the wider concerns that arise in the context of aggravating features, although, as the noble and learned Lord, Lord Judge, said, those can be dealt with in the context of sentencing. I urge noble Lords to bear in mind the observation made a number of times about the need to ensure that this remains a simple, straightforward Bill that can be passed and brought into force as quickly and effectively as possible in order to address this obnoxious behaviour. I commend the Bill to your Lordships.

Bill read a second time and committed to a Grand Committee.

Life Sciences Industrial Strategy (Science and Technology Committee Report)

Motion to Take Note

5.11 pm

Moved by Lord Patel

That this House takes note of the Report from the Science and Technology Committee *Life Sciences Industrial Strategy: Who's driving the bus?* (1st Report, HL Paper 115).

Lord Patel (CB): My Lords, it is a privilege and a pleasure to open this debate on the Science and Technology Committee report, *Life Sciences Industrial Strategy: Who's Driving the Bus?* The strapline is not intended to cause offence and I will explain its origins later. I begin with a sincere thank you to all who helped with the report: our specialist adviser, Professor Graeme Reid, professor of science and research policy at University College London; our clerk, Anna Murphy; our policy analyst, Dr Daniel Rathbone; and the committee assistant, Cerise Burnett-Stuart. I also thank all the hard-working committee Members who constantly attended the meetings and contributed. I thank the Francis Crick Institute, particularly Sir Paul Nurse, for arranging a visit to the institute and allowing us to use the place for evidence sessions. I thank the 127 people who sent in written evidence, amounting to hundreds of pages, and the 66 who gave oral evidence. I thank the Minister of State for BEIS, the noble Lord, Lord Henley, and the noble Lord, Lord O'Shaughnessy, from the Department of Health, for giving oral evidence. We were disappointed that neither the Secretary of State for BEIS nor the Secretary of State for Health and Social Care was available to give evidence, particularly as their role in driving the delivery of the strategy will be crucial, and because we do not get opportunities in the Lords to hear from Secretaries of State—certainly not in the Chamber.

Our report is a distillation of the views and evidence that we received—a genuine attempt to help inform the delivery of the life sciences industrial strategy and to make it a success. The UK's life sciences sector is high-tech, research-intensive, scientifically diverse and innovative. It is a global leader. It contributes more than £30 billion per year to the economy and employs more than 480,000 people. It is because of this that this and previous Governments have recognised its importance. In January 2017, as part of the industrial strategy, the Government announced that they had asked Sir John Bell to produce a report on a strategy for life sciences. With this as a background, we launched our inquiry in July 2017. Sir John Bell published his report for the Government in August 2017; it was widely welcomed, including by us. It is comprehensive and thorough, with a long-term vision. It identifies the strengths and weaknesses in the system if the strategy is to be successful.

The Government published their sector deal in December 2017. Our report was published in April 2018 and the Government responded in a timely fashion in June 2018. The Government response, almost 28 pages long, is comprehensive and detailed, but it is not much of an approval of our recommendations. In fact, much of it showed disapproval—there was not much that they liked. I am pleased, however, that since then some of our messages and recommendations have been, or are being, progressed; perhaps the Government were simply shy at the time of responding to our report. I have no doubt that the Minister will have more to say—maybe he will accept some of our recommendations.

Our report covered five main areas: the challenges of implementing the strategy; the role of the NHS; the availability of finance for innovative companies, particularly those commercialising innovations; access to a skilled, trained workforce; and, lastly, scientific excellence. I will now briefly cover some of the issues that came up in these areas, and I have no doubt that others will pick up the details later.

Lack of a clear plan for implementing the strategy was a theme that came across over and over again. Evidence also highlighted the need for independent monitoring and scrutiny of the strategy. Without a clear implementation plan, it is difficult to see how the strategy can succeed. In the light of this evidence, we made several recommendations, including the establishment of a statutory body—the office for industrial strategy—to scrutinise, monitor and report regularly on how well the strategy is being implemented.

The Government did not think that this was a good idea and did not accept the recommendation. However, in their response they said that the life sciences industrial strategy board will,

“review the detailed ... plan ... with milestones, key metrics”,

clear lines of accountability and,

“a report on progress”.

As yet, there is no such implementation plan. Perhaps the Minister can answer my questions. When will this plan be published? How often will the board report? Will the report be published and will Parliament have an opportunity to discuss it?

While the Government did not find favour with our recommendation, I am pleased to note that they have appointed Mr Andy Haldane, chief economist at the Bank of England, to chair the Industrial Strategy Council, which will provide independent scrutiny and monitor performance. Will the Minister say how often it will report? Will these reports be published and in the public domain?

I am pleased too that there will be a representative from the Treasury on the board, which was one of the recommendations that we made.

Let me now briefly turn to the NHS and its role in the delivery of the life sciences industrial strategy. Much was said about the vital role the NHS will have to play if the strategy is to be successful, but many commented that it is currently unable to do this and questioned its ability to deliver. It is in this context that, when asked, Sir John Bell said:

“Whoever is driving the bus, the windscreen wipers do not work and the exhaust is falling off”.

That is why we included the strapline in the title: who is driving the bus?

In his evidence, the noble Lord, Lord O'Shaughnessy, said that,

“the NHS part is critical”,

to the strategy. One often-repeated comment was that the NHS is poor at adopting innovation and poor at being innovative. Acknowledging that, the noble Lord, Lord O'Shaughnessy, said that,

“one of the concerns is not that innovations cannot get a foothold but that they do not often get beyond that”.

I recognise that much progress has been made since our report, and in line with our proposals. Planning is going on, and the noble Lord, Lord O'Shaughnessy, is personally leading on that. That is good news. The NHS and Simon Stevens will now be represented on the implementation board, together with other senior managers. That is also something that we asked for and that we welcome. The government response says that a review is under way to simplify the innovation landscape under the NHS. My question to the Minister is: when will the outcome of the review be published, and will it be in the public domain? I understand that, as a BEIS Minister, he may not be able to answer that, but I hope that the question will be answered by the noble Lord, Lord O'Shaughnessy, in a written reply and be put in the Library.

Importantly, much was said about the NHS as the sole provider of healthcare in the UK. It has a huge amount of health-related data—data that is relevant for research and innovation. We as a country lead globally on that. However, while it is true that the NHS is data rich, much of the data is not collected in a standardised way, nor is it easy to access. That is a problem, but not a problem that cannot be solved. It can be solved by cleaning up the data. That will make the data enormously important for both research and innovation in the future. In their response, the Government made it clear that they have an important role in supporting the NHS to lay the foundations for maintaining a secure and trusted data environment that will support a flourishing data-driven health economy in the life sciences. The recent development of six or seven digital hubs based at the Wellcome Trust is welcome.

[LORD PATEL]

In the light of all that, the recent development whereby individual trusts are signing data-sharing arrangements with the private sector, with varying levels and terms of data access, has to be a concern. Individual trusts are making individual contracts which include terms of data exclusivity. I have experience of this and know that the same data can be used by several researchers for different reasons. If there is data exclusivity, other researchers will not be able to access it. My own feeling is that such a development has to be stopped now. It must be stopped until we are able to work out, after debate, who is the owner of NHS data, and who is the guardian of that data and decides who can use it. There is no suggestion that industry will not be able to use it, but the ownership is important. I hope the Minister will comment on that.

The recent Department of Health publication, *The Future of Healthcare: Our Vision for Digital Data and Technology in Health and Care*, is welcome. It is an extensive, well-rehearsed document. The NHS has a vital role to play in terms of data if we are going to develop the use of artificial intelligence for new drugs and diagnostics, in particular in the diagnosis of cancer. However, there is an important issue around who owns the data. By the way, we have in this House the chairman-designate of NHS England and the chairman of NHS Improvement, along with several board members of both of those institutions. It is a pity that we cannot hear what their views might be. However, I understand that they have difficult jobs to do and that they are busy people.

Let me touch briefly on the issue of a skilled and well-trained workforce. The UK's strength in biomedical science has made us a destination of first choice for scientists at all grades and from all parts of the world. I could give the numbers, but rather than bore noble Lords with those, let me just say that, for instance, in the past some 50% of postdocs at the Wellcome Sanger Institute came from the EU. However, the percentage has now begun to decline. It is important that we maintain our ability to attract scientists from abroad for our strong science base. We heard how important it is to the science sector that it should be able to access talented and skilled people from around the world. It is good that the Government have acknowledged that in their response to our report. Whatever the outcome of Brexit, it is vital that universities, businesses and the NHS can recruit people with the necessary talent and skills both from within the EU and outside it. Without the ability to do this, the life sciences sector will suffer and the strategy will not succeed.

Given that, I am very concerned that the Migration Advisory Committee has recommended that after Brexit, the Government should extend the existing migration visa system for non-EEA nationals to EEA nationals. Sir Paul Nurse, director of the Francis Crick Institute, told us that the system is,

“expensive, tedious and it puts people off”.

We were also told that without a simple system for talented individuals to come to the UK, we will lose out to other countries and make it easier for people to move to them. Today's report of a letter signed by 29 Nobel Prize winners from the UK and the EU to

the Prime Minister and the President of the EU Commission suggests exactly that—that the EU-UK relationship in science must be maintained. The key reason is that in science, Europe is currently the only credible challenger to developments being made, particularly in biomedical science, in the USA and China. Europe alone or the UK alone may not be as strong. I hope that the Government will not agree with the report of the Migration Advisory Committee.

In the time I have to speak, I have not been able to cover the issues related to the need for finance, in particular for the development of innovations on to commercialisation. We have made some important recommendations and I know that in their response, the Government are in favour of some of them. However, it will be the Treasury that ultimately decides, particularly on the proposal for whether pension funds could be used for risk investment. I hope that other contributors to the debate will pick up on that point. Equally, I have not been able to cover the need for science excellence, which is an important issue, and I hope that some colleagues will deal with it.

Some of my questions clearly relate to the Department of Health and therefore a different Minister. I hope that I can receive a written response if the noble Lord, Lord Henley, is not able to answer all my points. In conclusion, I thank all those who have put their names down to speak in the debate and I look forward to hearing their contributions. I beg to move.

5.28 pm

Baroness Neville-Jones (Con): My Lords, it is a great pleasure to follow our chairman in discussing our report on the life sciences strategy. I echo his thanks to our witnesses and to the clerks and advisers to the committee. I suppose that it is proper to say that all activities that one engages in when serving on a committee are interesting, but the reality may not always fulfil that. However, on this occasion I can say with pleasure and honesty that this was a particularly interesting subject to tackle, and one that is of importance.

The chairman has outlined the reasons why the strategy needs to be taken seriously. Before discussing some of the issues he mentioned, I want to say a word about the strategy's place in the industrial strategy as a whole. We need to bear in mind that when taken as a whole, the industrial strategy is the centrepiece of the Government's approach to the fourth industrial revolution, which is vital to this Government's future prosperity. The industrial strategy and the various sector deals that will be published within its scope will be the main vehicle for collaboration with business and academia, which are the Government's essential partners in the strategy. Obviously, the strategy will be the primary framework for public funding. The backdrop of Brexit only increases the importance of this national undertaking.

The *Life Sciences Industrial Strategy* is an excellent document, I have to say, for which we are indebted to Sir John Bell. It is one of the main strands of the industrial strategy and one where, as he rightly says, the UK has many of the assets needed to make this a leading element in its future prosperity and welfare. Sir John notes that,

“gains in health outcomes ... will depend on ... new scientific platforms ... These will include digital tools, robotics, artificial intelligence ... and gene therapy”,

and other therapies. He also said, rightly—the chairman also made this point—that transformation of the NHS is,

“a crucial objective over the next twenty years”.

Several people, including the noble Lord, Lord O’Shaughnessy, have used the word “crucial”.

There is no doubting the opportunity that lies before us. It is one where doing good for mankind can go hand in hand with wealth creation, which is not always the case. Sir John says that the UK is “powerfully positioned” for this, but in my view, that is only the case if we get organised. Having the necessary assets is not the same as using them to good purpose or maximising their potential.

The fourth industrial revolution, where data is key, demands integration. One of the themes that emerges from discussion of the strategy is that integration of the various elements in it is crucial to its success. You need to integrate the resources, the organisation and the outputs. It will not work unless you do that. It demands funding to underpin the science and technology. All of these things succeeding necessitates real partnership between government and business and the creation of a business-friendly environment. It obviously requires new skills in quantity and quality that have hitherto been highly desirable but are now absolutely essential.

This is a huge undertaking since its scope involves most, if not all, departments of central government and the active involvement of local authorities. Industry and government will have to work much more closely together than has historically been the case. We must also get regulation right. All those things are intertwined; they depend on each other. Finally, our education system will need to change in fundamental ways both to meet the demands of something like the life sciences strategy and, more generally, for the industrial strategy as a whole.

The life sciences strategy, coming early and being so important, is something of a test case of our ability as a nation to turn a good strategy into a comprehensive implementation plan. In their reply, the Government were keen to demonstrate how much progress had already been made since the strategy was announced and since the committee wrote its report. It is fair to say that their reply contained a large number of initiatives. However, I do not understand why Ministers maintain a refusal to adopt the strategy as their own. In official documents, they appear to accept it as the blueprint to which they will work, but they still refer to it as “Sir John Bell’s strategy”. I hope that they regard it as the Government’s strategy as well because it matters whether people consider that they have ownership, which means responsibility for success. Psychologically, the notion of ownership of this is quite important.

Sir John says in his report that the UK has considerable strengths in the life sciences. Thanks to the NHS, we have unparalleled longitudinal data to which we must organise properly controlled access. The chairman is absolutely right to say that we must take preventive action immediately to prevent the wrong things being done at the moment. We underspend on R&D by

international standards but we get a good bang for our buck precisely because we have for some time been well and intelligently organised through the research councils, and now UKRI. That is an example of how we can maximise our assets if we are well organised, and the reverse is also true. Given the importance of technology, we need to continue to strengthen the research relationship with business, turning it into a strong triangle with academia. They seem to be key partners for the future.

On the skills front, although an important start has been made in recognising the importance at school of STEM subjects and revising parts of the curriculum, there is still a long way to go. It would be good to hear more from the Department for Education about its plans and how it will contribute to this country’s ability to respond to the scientific and technical skills we will need. Finally, as the chairman said, we must get immigration policy right.

The translation and commercialisation of innovation has historically been one of our weaknesses. They are being addressed in a number of ways including, with Treasury support, a focus on patient capital. As said by the chairman, in their reply welcoming the committee’s conclusions on this subject, the Government sadly misunderstood what we said. Increasing entrepreneurship skills is undoubtedly important; the Government made that point but the committee was making a slightly different one. We meant that in a country with developed capital markets of the sort in the United States, in the UK, unlike in the United States, there are too few investors—that is who we were talking about—with sufficient understanding of science and technology to have the confidence to invest at early stages so that a start-up can become a scale company and remain in this country. Our point is that we are not bad at start-ups but we are still quite poor at getting from start-ups to scale companies. That is where investment in this country is very important so that companies remain here instead of going abroad or being bought up. That is an important part of the long-term future of the life sciences strategy. I cannot help feeling that although Sir John Bell’s vision of several British unicorns is very enticing, it remains distant.

So what about NHS transformation, which Sir John says is crucial? Like the chairman, it is here that my anxieties begin. The Government’s reply announces various strategies and initiatives aimed at increasing the capacity of the NHS to innovate. It is very good news that they understand that getting the NHS to increase its capacity to innovate is at the heart of things. For instance, there is the creation of a single NHS Innovation and Life Sciences Group, as well as that of something called the AAC under the noble Lord, Lord Darzi. I gather that the AAC is committed to helping with the Accelerated Access Review. I could mention a number of other acronyms that are cited as having contributions to make to better and faster innovation take-up in the NHS, all of which are welcome. However, the Government have rejected mandating take-up and it is hard to see how the myriad initiatives proposed will do better at removing the blockages in the system than has been the case in the past. The problem is that the NHS trusts are becoming ever more financially strapped and lack the

[BARONESS NEVILLE-JONES]

time and financial headroom to give priority to new ways of doing things at the expense of existing contracts and obligations. One can understand and sympathise with the task of the trust manager. He does not want to be put into special measures, so of course he is going to go for his contractual obligations of the day. That is very hard to reconcile with the demand to innovate and do things differently when you do not have the resources.

The committee spent a good deal of time taking evidence on governance issues. Those were related to the implementation of the strategy as a whole and within the NHS. What our witnesses said left me—and I think many other noble Lords—feeling worried, and unconvinced that those who spoke felt confident about their role. Sadly, I do not think that the Government's reply provides enough comfort in this area.

This is what is proposed for implementation. The Government are setting up two huge committees. The Life Sciences Council, with no fewer than 27 members, appears largely advisory, although it does not say in the reply to whom the advice will actually go—presumably it must be somewhere in government as well as somewhere in industry. Then there is the Life Sciences Industrial Strategy Implementation Board, on which my noble friend the Minister sits as co-chair. That, as its title implies, is charged with implementation and delivery of the strategy via—it would seem—a series of sector deals. This body has 24 members and it will meet quarterly; the membership is axed towards Government and the NHS, which I think is right, but I wonder about some of the other detail.

I would not claim that the committees' recommendations—we made a number which the Government's reply does not discuss—were the only possible governance structures. But we did try to suggest ones that had a chance of driving the bus. The Government have not taken them up and have gone ahead with what they intended to do in the first place. I have been inside government and on boards long enough to know that boards of over 20 people, which is well above the Government's own recommendations for good governance, meeting only intermittently will find it very difficult to generate the necessary sense of ownership, focus and cohesion to drive implementation, and this really worries me.

Moreover, it is not clear how this big board will direct those below it. To deliver its central role, the NHS needs something more than lots of initiatives at varying levels of seniority and influence. The numerous NHS witnesses the committee spoke to had only part of the picture under their personal control, or, if they had a bigger part, were often not clear on the extent to which the strategy would affect their responsibilities. The practical difficulties they faced on a daily basis loomed very large with them. I also worry that the lack of metrics in the Government's approach reduces the incentives to adapt.

I have been quite critical but I think this is a very good and important strategy which I hope will not, through lack of drive and delivery, fall below its potential and our expectations. In so complex a landscape it is easy to lose the thread, and in my view a small

senior committee—largely but not exclusively a government steering committee—is needed to get on with the job on a day-to-day basis, and I hope something like that will evolve. Such big projects cannot be treated as business as usual—they have to be driven.

So I have a plea to put to my noble friend the Minister, to which I hope he will reply in terms when he comes to respond. In his capacity as co-chair of the implementation board, I hope he sees to it that the milestones mentioned and which the Government are going to engage—a road map, a timetable and a plan—will be set by the committee, against which progress can be measured. This will go a long way towards ensuring there is a measured tread. I hope he will also take a view after a period of time as to whether the governance system is delivering, and advise accordingly. He will be in a unique position to take on this task, and I hope he does, because the UK cannot afford to fail to seize the opportunity of becoming a world beater in life sciences.

5.45 pm

Baroness Young of Old Scone (Lab): My Lords, I too served on the life sciences and industrial strategy Select Committee, and I commend the excellent chairmanship of the noble Lord, Lord Patel. I am not going to talk about buses. I am going to talk about the NHS.

The Government's ambition to make the UK the most attractive place for national and international investment is highly commendable, particularly in life sciences, where we are already a global leader, though as an aside to the main question for debate, I would recommend to the House as obligatory viewing the appearances last night and this morning of Sir Paul Nurse, Director of the Francis Crick Institute. Sir Paul has, with his great authority, laid out clearly that we are in imminent and real risk of squandering this position of global leadership in life sciences research and innovation as a result of Brexit and particularly the lack of clarity about the negotiations and process.

One of the reasons we should be a global leader in life sciences is that we have the NHS, which provides increasing access to large-scale, long-term databases and a testbed for innovation on a national scale. The UK biobank is an example, with half a million participants across the country and a growing resource for medical research. There are many other future opportunities for capitalising on the NHS in this way. I am going to focus particularly on recommendations 16 to 20 from the report, which are about the role of the NHS.

The Government's response outlined an additional £500 million in government funding for the life sciences sector as part of the sector deal and that,

“our globally renowned NHS will be a key partner in delivering the deal”.

But when taking evidence from a range of research and NHS bodies, it became clear to the committee—focused by the NHS on the adoption and spread of life sciences—that innovations in support of research and improved patient care were simply not happening either at pace or at scale. The Government have put in place actions to encourage adoption of life sciences innovation by the NHS. They have relicensed the

Academic Health Science Networks for a further five years and given them a more explicit focus on the nationwide adoption of proven innovations. AHSNs have committed to nationwide adoption spread goals, but only for seven programmes over the next two years. This seems to me too little, too slowly. Indeed, the view of some witnesses was that the AHSNs were trivial in scale and lacked oomph. Throughout their response the Government list how NHS England, NHS Improvement and the AHSNs figure in some individual programmes for innovation adoption, but the response fails to focus on how the NHS can be developed as a fundamentally innovative organisation and system.

So let me turn to the relevant committee recommendations, what we heard from witnesses and what the Government said in response. Recommendation 16 is particularly germane: it says that the current structure of the NHS stifles innovation and that a focus on cost control and lack of co-ordination between NHS bodies means adoption and the spread of innovations are not given the priority they require.

The Government in response to this issue have set up yet another new group, called the NHS life sciences and innovation group. In common with the noble Baroness, Lady Neville-Jones, I was concerned that we were seeing yet another group. It reminded me of the old story of the politician who when he identifies a problem makes a speech, and when he identifies a serious problem makes a series of speeches. We seem here to have a series of committees, the one layered on the other. What is needed is not another committee or a range of small-scale initiatives, but a concerted, integrated approach to changing the whole culture of the NHS away from cost reduction and risk avoidance to one embracing innovation.

I recognise that the Government have outlined their response—again, I quote:

“Working with clinicians, managers, policy makers, industry and charities we are developing plans to expand the pipeline of innovations proven to be effective, and their subsequent adoption at pace and scale”.

I recognise that progress has been made on implementing NHS England’s published 12 actions to support and apply research across the NHS. I recognise that NHS England,

“is exploring additional financial incentives for increasing the adoption of innovation, for example through the development of CQUIN indicators, and linkage to best practice tariffs”.

However, it was clear from across the evidence that we received from NHS England, NHS Improvement and others that the NHS sees new things as cost and not opportunity, and that its objective is not to spend money. NHS Improvement told us that innovation,

“is not the centrepiece of what the NHS is trying to do ... securing productivity is”.

We had much discussion about the more abstruse definitions of innovation. There were “additive innovations” and “substitutive innovations”. Additive innovation is where the innovation provides higher levels of care but costs more; substitutive innovations provide higher standards of care and save money. There seems to be a notional commitment from the NHS to adopt the substitutive innovations but not the additive ones, since those would cost more and cannot

square with pressurised NHS budgets. Yet we are clear that the additive innovations could be some of the most promising and profitable for UK plc.

Even the substitutive innovations, which improve standards and save money, are not being adopted by the NHS nationwide at pace. I therefore commend wholeheartedly to the House the committee’s recommendation 20, which urges mandation,

“of those innovations that have been shown to improve patient outcomes and provide good value for money”.

A small start on this has been made in the past. Medicines approved by NICE are allegedly mandated to the NHS, but local CCGs do not always approve local adoption. It is interesting that the Accelerated Access Review did not address non-adoption by local clinicians or CCGs. CCGs can decide what to do individually. We appear to have lost the N from NHS, in that decisions are now made in such a delegated way that any central mandation simply does not happen.

Let me illustrate the lack of co-ordinated effort in making one national decision on best practice which could then swiftly be adopted across the whole system. When I was chief executive of Diabetes UK, we developed innovative best practice care pathways which would improve care for people with diabetes and save substantial sums of money. We first offered them to the NHS, but there was no real mechanism for introducing standardised best practice across the system. In desperation, I offered them to the then Chancellor, George Osborne, and told him that I could save him £1 billion from the NHS budget on the basis of them. I am still waiting for a reply. In the end, we as a charity had to hike a dedicated change team around every CCG and trust, persuading them one by one to adopt best practice which would save them money. We did not charge them; we simply took our costs from the money they saved.

I commend an initiative by NHS Improvement which also uses boots on the ground to persuade trusts and CCGs one by one. It is called Getting It Right First Time, a programme which has now expanded to cover more than 90 specialties working with local clinical networks. However, mandation of best practice, validated once at national level and then mandated across this allegedly “National” Health Service, would be so much more immediate. It should not have to be this difficult to get these things to happen.

The USA does not have the national test bed for innovation that the NHS represents, except perhaps on a smaller scale in the veterans administration hospitals. Oversight by the medical insurance companies, by managed healthcare organisations and by commercial and not-for-profit hospital chains shows how innovation and best practice standardisation can be mandated and backed up by local key performance indicators.

Why is mandation of innovation which improves patient outcomes and saves money not supported by the Government as an easy way forward? We can no longer as a nation afford an NHS which is highly variable in terms of innovation and value for money at the whim of local CCGs, trusts and individual clinicians.

I have one last challenge for the Government. As yet, we do not have a strategy for developing and exploiting innovation to meet the real future challenges

[BARONESS YOUNG OF OLD SCONE]
of the NHS: ageing, multiple complex conditions, resistant infections, antibiotic resistance and general immune system compromise—to name but a few. How do we fill the “somebody needs to” gap? What does government plan in this respect to really anticipate the future in our innovation and research strategy as part of the industrial strategy? It is a vital strategy; we are a global leader and are in danger of losing that position. The Government need to show more bottle over this strategy.

5.57 pm

Lord Fox (LD): My Lords, I had the pleasure of serving on the Select Committee during this inquiry and join the noble Lord, Lord Patel, in thanking the advisers, clerks and assistants for the sterling work that they put in. I commend the noble Lord not just for his speech but for his handling of a complex and long inquiry. As we know, it produced a comprehensive report and a long response from the Government. I shall try to restrict my comments to implementation, innovation, data, R&D spend and people.

It was entirely predictable—and we have already heard it in preceding speeches—that a lot of what we would be debating today is the nexus between this strategy and the National Health Service. For that reason, while it is always a pleasure to see the noble Lord, Lord Henley, sitting on the Front Bench opposite, I am a little disappointed that we do not have a representative of the Department of Health, which, largely speaking, will be called on to answer 90% of the questions raised in this debate.

On implementation, as you can tell from the report, the Select Committee was exercised by a fear that implementation would be a real problem, and the complexity of the NHS only added to that fear. As the noble Baroness, Lady Neville-Jones, set out, we made some serious attempts at clarifying the accountabilities and governance for that implementation, but it is quite clear that the Government have not picked up on very much of it. I join the noble Baroness in asking the Minister to undertake to publish what the milestones are for the implementation process and regularly to update us on what one hopes will be the achievements commensurate with them.

On a separate issue, it is also clear that the industrial strategy challenge fund is being used to push certain elements of this strategy. I would like the Minister to clarify how decisions around the industrial strategy challenge fund are taken. What is the process for pointing that fund at particular projects and issues?

On the subject of independent scrutiny, the recommendation of the Select Committee was for the creation of a new statutory “Office for Industrial Strategy”, something along the lines of the Office for Budget Responsibility. Clearly, the Government have not picked up on this, but they should understand that the need for involving Parliament in the scrutiny of this strategy is very important. The whole point of having the industrial strategy is that it spans different parliamentary periods: it has to last more than the lifespan of one Government. To have a scrutiny process that is independent and reports to Parliament is part of the way in which we will sustain that strategy

through several or many Governments. I ask the Government to look again at the independence and make sure that whatever emerges in terms of scrutiny is fully independent and reports to Parliament.

On the subject of innovation, this is clearly a keystone for the success of the strategy. I am sure there is general agreement that the UK is gifted many great innovators. As we have just heard from the noble Baroness, Lady Young, the challenge is to get these innovations into the NHS as routine NHS care. Innovative treatments improve the long-term prospects of patients and, while sometimes costing more today, reduce the need for future expense. Thereby hangs the Catch-22 that we have just heard about in detail: the NHS routinely accounts for the initial cost of the treatment, not the long-term savings that accrue in treatment that does not have to happen. This has to change and the process by which the NHS accounts for its success has to be better managed.

In response to our recommendation, the Government say that work is under way to address the challenge of supporting “proven innovations”. Perhaps the Minister will outline what an innovation needs to do to be proven before it is adopted in the NHS. What are the proof points that the NHS needs for this implementation? Meanwhile, how are budgets actually being flexed to make this happen?

No one reading the Government’s responses to recommendations 9 to 14 can be anything other than confounded by the complexity. I have to say that I knew the NHS was complex, but I did not have the scintilla of an idea of how complex, as already alluded to by the noble Baroness, Lady Neville-Jones. As well as AHSNs there are ITT/ITP, AAC, AAP, CQUIN, NHSI—not to be confused with NHSE—DHSC, LSC and no doubt as many acronyms as you can pull up. I note that the noble Lord, Lord O’Shaughnessy, is leading a review to simplify this innovation landscape: perhaps that explains why he is not sitting on the Benches opposite. Put simply, how much, in total, are the Government spending on genuine innovation within the NHS? Do they even know?

Turning to data, clearly the new Health Secretary has focused on this of late. Without sounding patronising, most people in a new job concentrate on what they know. The proof will be whether this enthusiasm survives when other issues take over on his agenda, but his current energy in that area is welcome. I am also pleased that the Government seem to agree with the Select Committee’s recommendations around data. I remind noble Lords that those recommendations can be summarised as: the collection of usable data; standard format for that data—and I would add, on my own account, a standard taxonomy within that format; linkage between different systems, as our chairman alluded to; rules for commercial exploitation, and we will come back to that; and a programme to gain public acceptance. These are very important. This is not trivial and not without cost, so how is this going to be accounted for within our archipelago of health systems?

Key to the public acceptance of the use of data—this is really important—is that the public understand that the commercial use of this data will benefit the NHS,

and therefore society as a whole, rather than just individual commercial concerns. In their response, the Government say they have identified three exemplar areas to start working on this and two more were going to be identified in June. Perhaps the Minister can let us know where those areas are. What I am more interested to know is when this work will be assessed, who will be doing the assessing and, more importantly, how the lessons learned from these exemplars will be distributed across the whole system. Once again, with respect to the capture and use of the data, the government response outlines a complex set of solutions and we have to try to simplify. I realise that we are starting from a complex position, but adding more to an already complex situation is never usually a solution.

As the noble Lord, Lord Patel, pointed out, there is another really important element around commercial exploitation and the contracts around how these are delivered. It is vital to ensure that the benefits of this data are properly reaped by the NHS itself. So can the Minister set out how the Government view the balance between the commercial interests of the private sector and the needs and the benefits that the NHS can derive from ownership of that valuable data? There is a balance: who is working on that balance and how will it be articulated in terms of contracts going forward?

With regards to informed consent, the Government have said they will give patients the ability to opt out of data. That in itself is important, but it works only if they know what they are opting out of: if they understand what their data is, what it is going to be used for, and how anonymisation will work for them. Serious energy must be put into a public education process, so that people understand the nature of their data and how it could be used. Just to give people an opt-out without understanding that is to squander their data and perhaps to lose value for society and for the NHS. Can we have an undertaking of a process of public education and know who will be leading that process?

On the plan to devote 2.4% of GDP to R&D, which fits around this, we welcome the Government's undertaking to drag the United Kingdom back up to around the average of where we ought to be, but clearly, in this strategy and many others, a lot of the money is going to be coming from the private sector. In this case, what is the balance? How much money is expected to come from the private sector and how much from the Government? I reinforce the idea that the thoughts of Sir Paul Nurse should be required reading. I do not know whether noble Lords heard the "Today" programme, where Sam Gyimah, the Science Minister, and Sir Paul Nurse had a very reasoned and interesting debate. It was very good that the Minister was put up to have that debate—it was commendable by the Government and it was a good debate—but he was not able to explain where the £1 billion that we will not be getting from the European science programmes, from Horizon 2020, will come from. Which budget will it come from? Undertakings have been made in a general sense, but at the moment there is no specific budget to replace that money, and that will make the 2.4% not just difficult but impossible.

Finally, for the strategy to work, the UK needs to have the very best people working on it. We are all agreed on this. The Government have to understand

that raising a quota is not the solution to this. A reduction in the size of the form that has to be filled in is not a solution. They are replacing free movement of Europe's top scientists with a form. To use a phrase used in other contexts, it would be putting friction into that system—and that friction will put people off and prevent them coming in. Again, Sir Paul Nurse was very clear on this issue, as were the other Nobel laureates who signed the letter that was sent around. Further, unless future plans for this new immigration process also include the families of those people—the same can be said for healthcare workers, by the way—then we will lose very many people.

In conclusion, I got an overall sense from the Government's response that they were fairly grumpy about this report, and I would say, "Please don't be". The report was based, as the chairman set out, on a great deal of evidence. All of us genuinely want the life sciences strategy to succeed; we all think it vital and pivotal to the future of this country. At the very least, this will require four conditions to be met. First, we have to have an implementation process and protocols that drive it forward. Secondly, the NHS has to be empowered and resourced to raise its head above the daily issues and be able to introduce innovation. Thirdly, the structured gathering of patient data, signed off by the patients themselves, must be made available to be used for the benefit of the whole of UK society and not just the private sector. Finally, sustained and consistent investment in research and development, and full access to the best possible people around the world, are needed. If we meet those four criteria, the strategy will be a success and Great Britain and the United Kingdom will be healthier and will also be wealthier.

6.11 pm

Lord Mair (CB): My Lords, it is a privilege to have been a member of the Select Committee undertaking the inquiry into the *Life Sciences Industrial Strategy*, under the expert chairmanship of the noble Lord, Lord Patel. I should declare the following interests: I am a fellow of the Royal Academy of Engineering and of the Royal Society, and an emeritus professor of engineering and director of research at Cambridge University.

There can be no question but that the UK life sciences sector makes a substantial contribution to the UK economy and to the health and well-being of society. Modern medicine and healthcare rely heavily on science and engineering to deliver improved prevention, diagnosis and treatment of illness. But above all, the continuing success of the life sciences depends crucially on its researchers—the people referred to by the noble Lord, Lord Fox. Before addressing the key issue of recruitment of researchers, I will comment on the importance of entrepreneurship. Our committee heard from business, investors and academics that the UK performs well in translating science and engineering research into innovation through university spin-outs and other early-stage businesses. We also heard persuasive evidence that the UK is less successful in growing small firms into much larger companies. In his report, Sir John Bell highlighted that the UK has more small biotech firms than anywhere else in Europe. Entrepreneurship is fundamental to the success of such enterprises and to their growth.

[LORD MAIR]

Our committee heard from many witnesses that entrepreneurship training was a significant skills gap within the life sciences sector. The UK's world-leading academic research base provides an excellent source of new ideas and discoveries, the commercialisation of which is crucial in the context of the *Life Sciences Industrial Strategy*. This requires successful entrepreneurship. Closely related to this, our committee heard evidence on convergent training, from which individuals become knowledgeable about science, engineering and business. This would aid the all-important flow of capital to innovative UK firms. The Bell report emphasised the need for entrepreneurship training at all levels, incentivising varied careers and the migration of academic scientists and engineers into industry and back into academia—importantly, to increase the influx of talented scientists, engineers and entrepreneurs in the public and private sectors.

University postgraduate education therefore needs to focus strongly on equipping young scientists and engineers with the entrepreneurship skills needed to establish and manage companies. The increasing emphasis on this in many of the centres for doctoral training funded by the EPSRC and UKRI is to be welcomed. This should be mirrored in other funding schemes for PhD students. Schemes such as the enterprise fellowships run by the Royal Academy of Engineering are also an excellent way of supporting innovative young scientists and engineers in managing spin-out companies and enhancing their entrepreneurial skills. This and other such schemes should be strongly supported and encouraged as part of the industrial strategy.

I will now comment on the recruitment of international talent. I fully agree with the points made by the noble Lords, Lord Patel and Lord Fox. Our committee heard from many witnesses about the paramount importance of retaining the ability to recruit the very best researchers from around the world. Many businesses in the life sciences sector, and most universities and research establishments, rely on access to international talent from within and outside the EU. There is a real danger that this crucial access to international talent is now under threat. Research and innovation are increasingly global. Numerous witnesses from business and academia told our inquiry that freedom of movement within the EU has been an essential ingredient of the success of our life sciences sector. Without this freedom of movement, ambitions for our world-class life sciences industry will inevitably be curtailed. Sir Paul Nurse, a former president of the Royal Society and now director of the Francis Crick Institute, told our inquiry that the UK's image is suffering terribly at the moment as a consequence of Brexit uncertainty. He highlighted the crucial importance of our ability to recruit the very best from around the world.

As referred to by the noble Lord, Lord Patel, Sir Paul also emphasised that the current visa system for individuals coming to work in the UK from outside the EU is expensive and tedious, and puts people off. The whole tone of the present system is wrong. It is essential that the Government do not apply the same system to EU nationals post Brexit. Whatever Brexit deal is reached, any new immigration policy must result in a streamlined system for the frictionless movement of researchers.

This is a widely held view from everyone involved in the life sciences sector—indeed, in the whole science, engineering and innovation community. International talent at all levels must be welcomed by the UK and not made to feel unwanted. The system must also be fair, transparent and efficient.

Another key issue is the cost of necessary visas. These are often prohibitive for young researchers but should be commensurate with typical academic salaries and with the length of stay requested, from a day visit to longer-term appointments. According to the Royal Society, if the Government decide to apply immigration charges to EU nationals then, based on the current system, an EU academic with a partner and two children entering the UK on a three-year tier 2 visa would have to pay up-front costs equivalent to 14% of their annual salary. This is a major deterrent for young researchers.

The noble Lord, Lord Patel, referred to the report by the Migration Advisory Committee, commissioned by the Home Secretary and published in September. The report recommends that any new immigration policy should have a less restrictive regime for higher-skilled workers than for lower-skilled workers. It also recommends that the Government should do what they can to reduce the bureaucratic burden of the system. Nevertheless, the report's underlying suggestion that the tier 2 visa route be extended to EU nationals is disappointing because it is currently an expensive and burdensome route. The tier 2 visa route is not welcoming and is a deterrent to attracting talent. In the rest of Europe, talented people will be able to move freely between EU states, yet to work in the UK they will require a visa, obtained through one of the most onerous and expensive visa routes. This is certain to stifle the attraction and retention of talent in the UK. Why would a talented French researcher choose to come to the UK when it is so much simpler to go to Germany or Italy?

The recent report by the House of Commons Science and Technology Select Committee highlighted a number of key principles that should underpin a successful immigration system. They include the need for an efficient, streamlined and low-cost application process for employees and employers and the need readily to recruit highly skilled people, wherever they are from, without being subject to an annual limit.

In summary, there can be no question but that immigration policy is central to the continued success of the life sciences sector. In 2015 more than half of the UK's research output was the result of international collaborations. These collaborations are increasing, both in absolute terms and as a proportion of the UK's research output. These collaborations must not be put at risk. As the president of the Royal Society, Sir Venki Ramakrishnan, put it:

“The UK is a global leader in science because top home-grown and international scientists want to work here. We must do everything we can to ensure that the UK maintains its role at the heart of European science, because that is in everyone's best interests. If science loses, everyone loses”.

Any science or engineering researcher appointed by business or academia should be allowed to come to the UK without feeling unwelcome and without encountering unnecessary bureaucratic barriers. Can the

Minister give an assurance that his department will endeavour to ensure that any post-Brexit immigration policy will be proportionate, light-touch, inexpensive, easy to navigate and welcoming? This is certainly what is needed if the life sciences industrial strategy is to flourish.

6.22 pm

Lord Renfrew of Kaimsthorn (Con): My Lords, it was a privilege to serve on your Lordships' Science and Technology Select Committee under the expert chairmanship of the noble Lord, Lord Patel. At once I should say that, unlike many of the members of the committee, I have no special skill in the life sciences, while others, including the chair, are indeed experts in the field. I add my thanks to the officials of the House who helped the committee in its work and to the specialist advisers.

This is, of course, an area where the United Kingdom has long had an internationally established and highly distinguished role. For example, Francis Crick and James Watson were working in Cambridge when in 1953 they established and first published the double-helical structure of DNA, for which they, along with Maurice Wilkins, received the Nobel Prize in Physiology or Medicine in 1962. They drew on the work of others, including the brilliant X-ray crystallographer Rosalind Franklin. That work clearly transformed the field in which we are speaking today and brought the United Kingdom to the front rank.

The report, with the subtitle *Who's Driving the Bus?*, draws substantially on the report by Sir John Bell, *Life Sciences: Industrial Strategy*, which was published in August 2017—with whose conclusions our committee in the main agreed. But the Bell report did not go on to deal in much detail with the implementation of its recommendations. This is where our report makes a number of more detailed recommendations, and it is here that the Government in their response in their White Paper of November 2017, their life sciences sector deal of December 2017 and their response to our report could usefully have been much more precise and explicit.

In this country we have the huge benefit of the National Health Service, which is open in principle without charge to all UK citizens. The potential value of the data which the National Health Service accumulates has been well discussed in our report and by members of the committee speaking this evening. It is clear that standardisation of the data, and the manner and terms for access to it, require clarification. That should expedite the process of innovation whereby new scientific and medical discoveries are implemented rapidly and widely. It is no easy task to expedite such innovation without being overcentralised, and much of our committee's report is concerned with that process.

It is here that there are grounds for criticism of the Government's reaction. For one thing, as other members of our committee emphasised, they could usefully and formally adopt the Bell report as government policy, which they have not yet explicitly done. That is one of the committee's key recommendations.

A related point is the need for the Government to be more precise about their industrial strategy and to ensure that the strategy is effectively advocated at

Cabinet level. We emphasised that it is important that the Government at Cabinet level should have these issues clearly in mind.

There is one word of caution which I will add. Our report, like Sir John Bell's report which preceded it, is concerned primarily with health and the medical sciences. It is certainly a large enough field, but our committee's report does not deal with other life sciences: botany, animal zoology, agriculture or biochemistry outside the medical sciences. They are vast fields. Our report makes that point explicitly, but there is a risk that those who read it hastily may feel that it covers the whole field of the life sciences, which it certainly does not. There is certainly scope here for further consideration of these vital fields.

Overall, there is a feeling that the Government certainly appreciate the vast importance of this field and the need for adequate funding. However, unless they sharpen their focus and consider more closely the precise nature of their policy and the manner of its implementation, the position will not be optimal. This is one of the fields of science and technology in which Britain has led the way and continues to do so, yet both the health of the nation and a major section of the economy depend on increasing our effectiveness in this area. That is the challenge which lies before us.

6.28 pm

Lord Hunt of Kings Heath (Lab): My Lords, I very much welcome this debate and congratulate the noble Lord, Lord Patel, and his committee on the excellence of their report. I declare an interest as president of the Health Care Supply Association and of GS1 UK, the bar-coding association. As the noble Lord, Lord Patel, said, we all agree that the UK's life sciences sector makes a hugely significant contribution to our country. Clearly it is the flagship of the Government's industrial strategy, but the committee asked some pretty searching questions, particularly in relation to the National Health Service, which is what I want to focus on.

We have an enormous paradox. As Sir John Bell has said, the NHS is potentially an enormous asset for those seeking to develop and discover new innovative products and to be able to test them in a living healthcare system. The irony is that the NHS is absolutely useless at adopting generally proven new innovations. I am sorry to say that the strategy is going to do nothing whatever to improve that. All the innovations are worthy but minimal, and we know that they will not succeed. Unless something drastic happens the NHS will continue to refuse to take innovation seriously, and I find that a very depressing situation.

The committee has commented on the complicated arrangements for implementation and the clear lack of accountability. It has also referred to the NHS's own commitment as being incoherent, unco-ordinated and ineffective. The reality is that the only thing that counts in the NHS at the moment is cost control. We know that when it comes to asking the NHS to invest in the kind of innovative products and medicines that would give the UK a lead in global development, it refuses to do so. I have talked to a number of innovative companies that are desperately trying to sell into the NHS, and the situation is really depressing.

[LORD HUNT OF KINGS HEATH]

The Association of British Healthcare Industries has basically said that the adoption and spread of proven technology is a major problem. The NHS spends on discovery and development but it will not spend on adoption and spread. That is so different from the commercial sector. When I hear that NHS Improvement is not interested but it is interested in productivity, it makes me despair. Surely its investment in innovation is the one way in which we can actually enhance the productivity of our health service.

I am president of the procurement association in the NHS, and I confess that there is a problem with procurement in the health service. It is basically concerned only with the cost of individual items. When pressed, Ministers, NHS England and so on will say that they are concerned about overall value, but the reality is that they are not. They are concerned only about the actual cost of individual products. The ABHI also comments that SMEs might be forgiven for thinking that the strategy was designed mainly to support large companies. SMEs are having a real problem getting leverage and support from the Government in this crucial sector.

I shall give an example of an innovative company and the problems that it is having. In summary, over 200 NHS patients have been treated to date with Natrox oxygen therapy, an innovative treatment indicated for chronic non-healing diabetic foot ulcers and other chronic wounds. The NHS has not paid for any of the patients to be treated; the company has. It is a small start-up business, and it can no longer afford to fund free treatment for the NHS because the NHS now wants the company to dedicate itself to providing products to paying healthcare customers in other countries.

The NHS has pushed this company from pillar to post with all the so-called innovations that it has developed. Almost two years ago, the company went down the road of the “innovation scorecard”. My noble friend, who is in despair about this innovation scorecard that so many of us have heard about, may talk about it later. So the company spent a lot of energy on the scorecard and was preparing a tender submission but then the NHS abandoned the process. That was later restarted but the company was told it had to start again from scratch. It did so, but then it heard that the innovation scorecard process was being abandoned and it now had to utilise Innovation Connect. It registered on Innovation Connect in March but has had zero feedback from that route—not even an acknowledgment. There is no clear or obvious path to contracting for new products on the Innovation Connect website. The company has followed this up with emails and met the people concerned but has had absolutely no response.

So here we have the potential of NHS-assisted innovation, with some research funded by the National Institute for Health Research, not being available to NHS patients. Members of the company’s board, comprising UK and international investors, are pushing to relocate to the US on the basis that more interest and commitment has been shown by US healthcare providers. If that happens, NHS patients will lose out, the country will lose out and yet another UK innovation will have been lost overseas. I am afraid this is not an

isolated incident; it is happening day after day. Hugely innovative companies simply cannot get inside the NHS.

It is the same story with medicines. Obviously pharma companies do not enjoy much sympathy in the world, but we are coming to the end of the current five-year PPRS agreement, which essentially rebated to the Government any cost of branded drugs, over a certain allowance for inflation, and instead of that money being used to invest in new medicines it has just gone back into the coffers of the Treasury. Patients in this country simply do not have access to the kinds of medicines that are available in France and Germany. It seems to me that NHS England has no interest, or policy to do so, in saying that it is in the UK’s interest to invest in new medicines, many of which have been developed in this country but will not be developed here in future. We are absolutely at the tipping point of losing a lot of the pharma industry, as the chief executive of AstraZeneca has made clear in his recent remarks.

We come to the Government’s response. Frankly, it is pathetic. The accelerated access review and academic health science networks are worthy but very marginal, as they can deal with only a few products and medicines. Then we are told that we can have a life sciences council. Wonderful. What on earth is a life sciences council going to do to get the NHS involved in investing in innovation and in the future of our country?

I am afraid I have reached the gloomy conclusion that for all the bold talk, exciting strategies and ministerial visions, the NHS is incapable of responding. Patients are losing out, innovative UK companies are getting a raw deal and, frankly, the life sciences strategy is doomed to fail.

6.37 pm

Lord Bilimoria (CB): My Lords, in December 2017 the Government announced:

“Government and life sciences sector agree transformative sector deal ... Business Secretary Greg Clark and Health Secretary Jeremy Hunt announce a Sector Deal with the life sciences sector”.

What happened when the committee produced its report? I shall give one example of a story in the press:

“Lords slam government’s delivery of Life Sciences Strategy ... The government’s delivery of its Life Sciences Industrial Strategy is ‘wholly inadequate’, overly complex and incoherent, conclude the House of Lords Science and Technology Committee in a damning report published yesterday”.

Life sciences—what a huge and important area. If you look up on the internet what life sciences cover, you will find the following: anatomy, biochemistry, botany, genetics, immunology, microbiology, neuroscience, biotechnology, fermentation technology—that is relevant to me in my industry, and I will come on to that—food science, genomics, immunotherapy and pharmacology, and I could go on. I have touched on just a few of the life sciences.

I shall give one example from my own world. The fermentation of beer and biochemistry are important because our consumers are demanding. We manufacture hundreds of millions of bottles of Cobra beer a year, but the consumer expects every bottle to taste exactly the same as the one before. You are using yeast,

a natural ingredient, and the natural process of fermentation. The ingredients change with harvests over the years, yet the consumer expects it to be the same. Our master brewers are highly trained scientists, constantly trying to perfect and innovate, whether that means producing a double-fermented beer or a gluten-free beer that tastes as good as the normal one. That is really difficult from a life sciences point of view. So I know from my own world how important this issue is.

I thank the noble Lord, Lord Patel, and his committee for the report that they have produced. It is hard-hitting, and it is for the Government to respond to it today—not the official response that has been given that the noble Lord, Lord Hunt, referred to. The noble Lord also mentioned that Andy Haldane, the chief economist of the Bank of England, is now chairing the Industrial Strategy Council. He is a hugely talented individual, so that is very good news.

The noble Lord, Lord Patel, also referred to the letter today. It is serendipitous that just today we received this letter written by 29 Nobel Prize winners written to both Prime Minister May and President Juncker. I quote from the letter:

“Scientific research and innovation are crucial for tackling the many shared challenges we face ... to meet these challenges for everyone’s benefit, science needs to flourish and that requires the flow of people and ideas across borders”—

the noble Lord, Lord Mair, spoke about that—

“to allow the rapid exchange of ideas, expertise and technology.

Europe was the home of the Enlightenment and the birthplace of modern science, but partly as a result of two devastating internecine wars in Europe in the 20th century, it suffered a decline relative to the USA ... this decline has been reversed in the last few decades as a result of the ease of collaboration nurtured by the EU through its many initiatives and programmes, which have greatly benefited European science. Creating new barriers to such ease of collaboration will inhibit progress, to the detriment of us all. Many of us in the science community therefore regret the UK’s decision to leave the European Union because it risks such barriers”.

There is regret.

“It is widely recognised that investing in research and innovation are increasingly crucial for shaping a better European future... We must not allow the UK or the EU to become more insular in our approach to each other.

By deciding to leave the EU, the UK has given up its right to participate in EU research and innovation programmes”.

Does the Minister agree with that?

“It must now step up its commitment to those programmes if it wants to remain involved ... The challenges we face must be tackled in a manner that benefits everyone and those challenges are better faced together. Only a deal which allows the closest possible cooperation between the UK and the EU, now and in the future, will make that possible”.

That is it, my Lords: 29 Nobel Prize winners, including people I know, such as Professor Paul Nurse, who has been cited several times in the debate and is chancellor of the University of Birmingham. Professor Sir Venki Ramakrishnan is a friend of mine, president of the Royal Society, fellow of Trinity College, Cambridge and a Nobel Prize winner. Professor Sir John Gurdon is a fellow of Magdalene College, Cambridge and Nobel Prize winner. Sir John Walker is a fellow of Sydney Sussex College, where I am privileged to be an honorary fellow at Cambridge, a Nobel Prize winner. These are the experts—oh, sorry, we cannot listen to experts.

The committee’s report was so hard-hitting and positive, saying:

“The life sciences sector is the flagship for the Government’s Industrial Strategy”,

but, it says,

“So far, Government action has been wholly inadequate”.

However, it is optimistic. It says,

“all is not lost. Prompt and vigorous action by the Government can save the day”.

It talks about how we do so well in translating basic science into innovation, but that it has heard time and again that we are less successful in growing SMEs into larger companies.

“Sir John Bell sets the aim of four massive UK life sciences companies being created over the next 10 years”.

I will come back to that.

The noble Lord, Lord Patel, spoke about the size of the sector: £30 billion employing nearly 500,000 people. The committee heard evidence time and again about how the success of the sector would be measured. The noble Lord, Lord Patel, mentioned this, but I think it is important to restate it. Sir John Bell said:

“The ... people I have interacted with ... want to see the health service deal with [the uptake and spread of innovation]; ... The problem is ... it is not clear who is driving the bus ... Whoever is driving the bus, the windscreen wipers do not work and the exhaust is falling off”.

That is not just in the committee’s report; Sir John Bell corroborates it in his report. He said that one of the reasons why the NHS struggles with adopting innovations is because it is struggling to do even the most simple of things. This is really serious. The noble Lord, Lord Fox, also spoke about this. The committee report states:

“Unless the NHS’s ability to adopt and spread innovations, it will not be able to play a full role in the implementation of the Life Sciences Industrial Strategy”.

As chancellor of the University of Birmingham, I know that we partner very closely with the Queen Elizabeth Hospital, the largest hospital in Europe. Our medical school is one of the top rated in the country. Dame Julie Moore, chief executive of University Hospitals Birmingham NHS Foundation Trust, told the committee that financial incentives, such as best practice tariffs for trusts that show rapid adoption of innovations, could be a way forward. Does the Minister agree?

Then we come to R&D and innovation. I have stated time after time, in debate after debate, that this country underinvests in R&D and innovation. We invest 1.7% of GDP. I am very happy to hear the Government say that they will have a target of 2.4% of GDP by 2027. If you look at the chart of expenditure across the world, we are at 1.7% and the OECD average is 2.4%, which is where the Government want to get to. The USA is at 2.8%. Israel, one of the most innovative countries in the world, spends approaching 4.5% of GDP. No wonder so many amazing tech innovations come out of Israel.

The noble Baroness, Lady Neville-Jones, spoke about the difficulty of growing companies, and the report agrees that,

“the UK’s historic poor performance in this area is a concern because real economic value comes not from funding start-ups but enabling scale-up”.

[LORD BILIMORIA]

Scale-ups are the challenge of business. I know that having grown a business from scratch. Sir Paul Nurse, the report writes, said that the UK lacked individuals who understood both science and finance. That is normal. In many industries, you have experts, but they are not necessarily financial experts as well.

The tax system can be used to incentivise investment in particular areas of the economy. The BIA, cited in the report, said that the inherent flaw in the EIS scheme, which I have used in my business, and the venture capital trust scheme,

“is that investors cannot follow their money in future non-qualifying fundraises. This penalises early investors as they become dilutive as a company progresses.

The BIA suggested that continued tax relief for EIS and VCT investors when investing further in companies they have backed at an early stage and preferential access to further fundraises would,

“incentivise greater and longer-term investing”.

Does the Minister agree?

Professor Chris Lowe, director of the Cambridge Academy of Therapeutic Sciences at the University of Cambridge—where I chair the Judge Business School advisory board—emphasised the importance of entrepreneurship. We have a centre for entrepreneurship at the Judge Business School, now, I am proud to say, one of the highest-rated business schools in the world. Professor Chris Lowe said:

“if you are going to generate a lot of new ideas which will eventually feed through to a large multinational industry, you need the entrepreneurs to set that up and get it running. It is a matter of culture”.

Then there is the elephant in the room: the Brexit uncertainty. The noble Lord, Lord Mair, spoke so clearly about worry about freedom of movement: allowing people to reside and work freely. It has been such an advantage in the life sciences sector, but Brexit poses a potential barrier for us to access that talent from the EU. One member of the Cambridge Judge Business School advisory board is Dr Menelas Pangalos, who is executive vice-president of innovative medicines and early development at AstraZeneca, which is headquartered in Cambridge. The report quotes him as being,

“Worried about the impact of Brexit on our employees ... the fact that we have no idea what is going to happen is a real problem. We are starting to see people turn us down now in the UK because they do not know what the outcome will be for future employment”.

This is AstraZeneca, one of the leading pharma companies in the world. Professor Sir Paul Nurse told us that the UK’s,

“image is suffering terribly at this moment”.

I keep saying this: we have not taken back control with Brexit; we are losing control and losing our standing in the world. I could go on. The life sciences sector requires,

“unencumbered access to high quality talent”,

said Sir Paul Nurse. The noble Lord, Lord Mair, mentioned the tier 2 visa. I do not want to repeat, but he said how ridiculous the system we have is. The report says clearly what is happening for tier 2 visas for non-European workers,

“including doctors and other healthcare staff, software developers and laboratory scientists. In December 2017, January 2018 and February 2018 the cap ... was hit for an ‘unprecedented’ three months in a row”.

So we are just turning away talent that we need. This is absolute madness; we need to change it.

The Government response is tax incentives. They have said, “Oh well, we have increased the R&D rate of tax to 12%”. Does the Minister agree that that is adequate? If we really want tax incentives, we need to do much more.

Then there are unicorns. It was reported in the *Daily Telegraph* today that Britain is the home of 15 unicorns—companies worth at least \$1 billion. We are much better than other European countries, outperforming France and Germany. Companies in the life sciences sector are among these unicorns. Cambridge is a great area which is a fertile ground for growing an economy, with start-ups, SMEs, scale-ups and global players such as AstraZeneca. The Cambridge life science anchor model works really well.

Birmingham Health Partners talks about collaboration, innovation and application and says:

“Finally it is now down to the UK, the EU and to Member States to ensure that the unique relationship between the UK and EU research is maintained for the benefit of medical research and ultimately of citizens across Europe. Neither the UK, nor Europe can afford a ‘Brexit’ for medical research”.

It says that, for medical research, a no deal would mean: loss of researchers from the UK; disruption to productive collaborations; reduced funding for UK medical research; barriers to clinical trials and research into rare disease. A no-deal Brexit is not an option.

I quote the Prime Minister, who said these beautiful words on 21 May:

“William Wordsworth described the statue of Sir Isaac Newton that stands in the chapel of Trinity College, Cambridge as being ‘the marble index of a mind forever voyaging through strange seas of thought, alone’. That romantic image belies the truth that the essence of scientific progress is not private contemplation, but collaboration. Nothing is achieved in isolation and it is only through co-operation that advances are made. Every great British scientist could only reach new frontiers of invention because they built on the work of others, exchanged ideas with their contemporaries and participated in an international community of discovery”.

What do we do? We Brexit.

An article in the *Lancet* said:

“It may be that if [the UK] have to have [their] own separate regulatory system, then manufacturers will choose to launch [their product] in Europe and the USA”.

The APG, the group of American pharmaceutical companies in the UK, including huge companies such as Pfizer and Lilly, said that,

“uncertainty over Brexit is affecting global decisions on future investments in life science and health industries”.

There are now six months to go. An article in *Nature* spoke to scientists about how it was affecting them. One said that:

“The uncertainty is already stunting science”.

Another said that:

“Research money is already flowing away from the United Kingdom”,

and another that:

“If it weren’t for Brexit, these people would have joined my lab”.

The head of Roche is quoted as saying that the UK is “less interesting” to pharma because of Brexit.

I could go on. These are the people at the coalface, who are running some of the biggest life science companies in the world. This country has 1% of the world's population but produces 16% of its leading research papers. We have the best universities in the world. Oxford and Cambridge now rank first and second in a recent list; along with those in America they are the best universities in the world. Cambridge, not an American university, has won 100 Nobel Prizes—more than any other university in the world. Professor Sir Greg Winter, Master of Trinity College, has just won a Nobel Prize. Our whole life sciences sector is at stake. The only way to save it is not Brexit. A Norway-EEA model would allow the sector to carry on seamlessly, but the best way to save it would be to remain in the European Union.

6.53 pm

Baroness Morgan of Huyton (Lab): My Lords, I am pleased to be taking part in this important debate. I too was a member of the Science and Technology Select Committee which produced the report we are talking about, under the able chairmanship of the noble Lord, Lord Patel. It was a fascinating but very worrying inquiry. I draw attention to my interests in the register, particularly as chair of the Royal Brompton and Harefield NHS Trust, about which I will speak today. I will focus on the role of the NHS.

We all recognise that the NHS is vital to the success of the Government's life sciences strategy. It is a unique asset that differentiates the UK from other countries. It is the big opportunity. The Government recognise this, but the challenge is not whether to recognise it but how to deliver on that opportunity. In our inquiry we heard extensively from industry that a silo approach to NHS budgeting and organisation makes innovation difficult, even when it is substitutive rather than additive—as my noble friend Lady Young said. In other words, even if a new treatment is an alternative and not an additional new approach, it is difficult to find a way through.

We also heard from NHS England that living within a tough funding regime means that the centre has to be sure of the benefits to the NHS of any innovation before any change can be approved and funded. Both these contributions, though understandable, were concerning to the committee. On top of this, the danger of the new NHS settlement is that too much of it will be used to prop up the existing service rather than to attempt to transform. It is an inevitable conflict. I sympathise with the Minister dealing with that one—although the noble Lord, Lord O'Shaughnessy, is not in his place.

I thought it would be useful to use a real example to highlight the realities and choices around innovation. It is very easy to talk about theory and potentially hugely positive macroeconomic effects. The life sciences strategy is defined by Sir John Bell as the application and harnessing of biological sciences and technology. If it is handled well, whether via the use of data, genomics, new drugs and treatments, new devices and approaches, and so on, it is absolutely also about better patient care and outcomes. I do not want to

repeat the excellent contributions of my committee colleagues, so I will choose one disease, cystic fibrosis, to illustrate my point.

The Royal Brompton and Harefield Trust is a leader in the treatment of cystic fibrosis in both children and adults. CF is a life-limiting genetic disease that is caused by a defective gene which codes for a protein in cell membranes and therefore affects multiple organs in the body. Life is limited due to progressive lung disease, and those with CF are informed by their clinical teams, from an early age, that maintenance and awareness of lung function is important to maximise their life expectancy. As a result, people with CF are expected to attend clinics at their specialist centre regularly, to monitor their lung disease and receive treatment to prevent, halt or slow disease progression.

Our patients travel from all over the UK for specialist care and, through patient experience surveys, they report that attending a clinic so frequently for monitoring is significantly impacting on their quality of life. They must take time off work, arrange childcare and fund the significant cost of travel into central London. In addition to this, CF outpatient services at our hospital and other specialist centres are busy and frequently overbooked. This is a growing concern because research in this area has predicted an increase of 75% in the number of adults with CF. The good news is that this is due to advances in medical care and associated increased life expectancy, and further new drug trials are in the offing. However, the increasing pressure on services increases, for example, the serious danger of cross-infection, which is a significant issue for this patient group. Coming to hospital more or for longer than they absolutely have to is not good for their overall health.

A recently published guideline from NICE on cystic fibrosis has urged healthcare teams to consider providing telehealth as an option for routine monitoring, with benefits recognised both to the patient experience and in allocating hospital resources. The clinical team at the Royal Brompton and Harefield Trust has developed an innovation project that aims to address these challenges by empowering the person with CF to monitor their own health from home. Providing self-assessment equipment and a technology app platform to share that data with the healthcare team unlocks the team's ability to provide remote, virtual consultations and advice. It will allow people with CF to gain a greater awareness of their overall health and to see the impact of lifestyle changes or new medicines. It is hoped that putting data in the patient's hands will start to equalise the power dynamic that exists between patient and the healthcare team that currently holds much of the data used for clinical decision-making. It offers the trust the opportunity to reduce the number of in-hospital clinic appointments and consider how to allocate resources better in view of the growing patient population.

Although there is a lot of evidence from clinical practice indicating that the impact of this innovation will hugely improve both the clinical management of CF and patients' experience of living with and managing this serious disease, there is no clear evidence yet that it can be economically sustainable. It is too soon to make and prove that hypothesis. The team are currently

[BARONESS MORGAN OF HUYNTON]

both tendering for the services of a technology partner to develop the platform and exploring with the current commissioner—the payer for our services, NHS England—how to pay for it. The platform is likely to demonstrate fairly quickly that the number of outpatient consultations between CF patients and the clinical team, especially face-to-face ones, can be greatly reduced, saving the patient travel costs and freeing up capacity in the hospital. Over the longer-term, the platform will enable the patient and the clinical team to identify the symptoms of an imminent exacerbation of the disease, which can then be managed so as to minimise the need for the patient to be admitted to the hospital as an in-patient.

If these cost savings and efficiencies from this innovation could be applied over a large number of patients, there is clear potential for the overall current budget spent by NHS England on CF to be reduced. But, crucially, the cost of running the platform in its first one to two years, when added to the existing costs of service provision, are almost certain to increase the current budget for CF, at a time when NHS England is looking to cut back on specialist service provision more generally.

My point in raising this as an example is not special pleading to the Minister, although I am sure he is listening, but to try to give a concrete example—there are so many others—of how current commissioning will need to change in order to support innovation. Innovation cannot and will not happen as part of the current regime. The systems, incentives and funding models are not right. Yet at all levels, whether in the individual clinical team, at NHS trust board level, in academic and business partners or nationally, we all want to deliver change and efficiencies. To make this work we need to be round the table having a serious, grown-up conversation.

I was struck by hearing evidence in the inquiry that genomics has been successfully developed as a comprehensive national strategy partly because it had, in effect, a separate organisation, so there was absolute focus and clarity around mission and delivery. If the life sciences strategy is to harness the power of the NHS and deliver both efficiencies and innovative new treatments and approaches, it too will need absolute focus and accountability. It cannot be an add-on.

Sir John Bell's excellent strategy and evidence to us identified a small window for us to get the incentives, the systems and the accountabilities sorted in order to realise the unique potential we have as an economy because of the power of the NHS. Can the Minister convince us today that the Government recognise this?

7.01 pm

Lord McColl of Dulwich (Con): My Lords, we are grateful to the noble Lord, Lord Patel, for chairing this important committee and for securing this debate. I am also grateful to him for inviting me to speak in the debate on preventive medicine and the role of the NHS. The report draws attention to the health service's failure to implement the results of research.

The greatest threat to the health of the British people today is the worst epidemic for 100 years: namely, the obesity epidemic. Half the people are

either overweight or, frankly, obese. This has produced four million type 2 diabetics, increasing rates of cancer, heart disease, joint disease, gangrene of the limbs, blindness, dementia and many more. We keep being told, "It's all very difficult—it's multifactorial, you know". Only one factor causes obesity, and that is putting too many calories into one's mouth. We need to eat fewer calories and eat foods that satisfy hunger.

How did we get into this mess of the worst epidemic for 100 years? During the war there was no obesity, because we ate the right food in the right quantity and it satisfied hunger. How? Because we used to eat things like fat, dripping or lard on wholemeal bread, and whole milk—none of this skimmed nonsense. Why did all this change? It changed because the unscrupulous junk food industry realised that fat was an essential food which limited the amount that we ate, and so it demonised fat and advocated and produced food which was low in fat and high in carbohydrates. The problem with this is that low-fat, high-carbohydrate food is pretty tasteless, and so to make people eat it the industry added large quantities of sugar. So the obesity epidemic was born: low fat, high carbohydrate and high sugar, and the nation began to become more and more obese.

In the early 1960s, Professor John Yudkin warned of the danger of a low-fat, high-sugar diet, but the food lobby and other miscreants managed to rubbish his work and have him dismissed from the Chair of Nutrition at the University of London. The science is quite straightforward and has been known for years, although it was not introduced but ignored because of the powerful food lobby. As noble Lords already know, when fat enters the duodenum it releases hormones such as cholecystokinin and gastric inhibitory peptide. These delay the emptying of the stomach and give the sensation of fullness, which satisfies hunger, and you stop eating. When the fat is emulsified and absorbed it passes further down the alimentary tract, then normal service is resumed in the stomach. It is a very precise and effective mechanism. But the unscrupulous junk food industry had to sabotage that mechanism in order to increase its sales and profits. The sabotage involved demonising fat.

This whole subject has been bedevilled by misleading advice, most of it deliberately misleading, allowing the food industry to produce cheap food that does not satisfy, and so people eat more and more of it and get fatter and fatter. The tragedy of all this is that mainly those in the lower income groups are worst affected by the seduction of the unscrupulous junk food industry. Unfortunately, the public have been bombarded with thoroughly misleading information and advice. They have been told that exercise is the best way to get rid of excess fat. You have to run miles to take even a pound of fat off. Only a fraction of the calories we eat is expended on exercise. Of course, exercise is important for general health and a sense of well-being.

Obesity in children has now reached enormous proportions, and the problem starts before the age of five, before they go to school. If a woman is pregnant and obese, she transfers this tendency towards obesity to the child in utero, not genetically but by a mechanism that is not understood, and so we put it into Greek

and call it epigenetics. So the die is cast at any early age, and the tendency to obesity is there. But the good news is that it does not need to lead to obesity; it can do so only if the child eats too many calories. There is a condition, myxoedema, where the thyroid gland fails, and people with that condition tend to put on weight. However, they can do that only if they are eating too many calories.

Even today, the Department of Health is still advocating exercise and diet as the answer. Only a fraction of the calories we eat is used up in exercise, so the department should stop talking about how exercise and diet is the solution. It should emphasise that the answer is to put fewer calories into the mouth. Its slogan “exercise and diet” should be changed; it should emphasise diet and give exercise the lower profile as far as obesity is concerned.

Saturated and trans fats should be minimised but not the majority of fats. During a Select Committee on the long-term future of the NHS, chaired by the noble Lord, Lord Patel, we were served up with some rather curious, dubious statistics, one of which was that the obesity epidemic was costing £4 billion a year. I suggested that the point was in the wrong place. It was much more likely to be £40 billion. That is what is wrecking the NHS. Curing obesity could release £40 billion; obviously not all of that would be released but it would be a start.

We have an enormous job on our hands in preventive medicine as we are in the middle of this disastrous epidemic, the worst for 100 years. We need not only to reduce the size of the epidemic but to start preventing the next generation falling into the same trap. I suggested to the Select Committee that we needed an all-out campaign—involving every man, woman and child, every institution and government department—not to tell people what to do but simply to tell them the truth. The answer is to have smaller portions and smaller plates, food that you have to chew, such as wholemeal bread, vegetables and nuts—clearly, avoiding food to which you are allergic. Some of the expert witnesses from the hierarchy told us that all-out campaigns do not work. We pointed out that the Lord Speaker’s campaign against AIDS when he was Secretary of State for Health, as Norman Fowler, was highly successful, largely, I suspect, because he was absolutely honest and direct and did not mince his words.

GPs have been told by the Department of Health not to call patients obese because it is judgmental. They ought to realise that there is a distinct difference between being judgmental and making accurate diagnoses. The message is simple. The obesity epidemic is killing millions, costing billions and the cure is free.

7.12 pm

Lord Desai (Lab): My Lords, I thank the noble Lord, Lord Patel, for chairing the committee that created this report and for his very good presentation. I also blame him for getting me to speak, otherwise I would not have spoken. Being the 11th speaker I promise to try to say something different. I promise not to talk about Brexit or the 29 Nobel Prize winners.

In a long time following government policies I have never seen an industrial strategy succeed if it was formed by the Government. Governments are not

very good at forming industrial strategies. Industrialisation happens from the private sector not the public sector. Reading the report, very good though it is, I thought that setting up boards and implementation strategies was all top down. Somehow we will sit there and design a policy which will be implemented. That is not the way that innovations happen. I have been through the Harold Wilson policy when the idea was to encourage large corporations over small ones. Then we had the Conservative Party strategy and then new Labour’s one. We need to understand that if this is the way you want to go, fair enough, but there has to be a single lead person to implement it.

I will give two examples. First, when the redevelopment of the London docks was done—it is not an industrial plan but it was a major project—the noble Lord, Lord Heseltine, was crucial in driving the process forward. It happened because there was a responsible point person to implement it. Another example is the northern powerhouse strategy where the noble Lord, Lord O’Neill, has taken a lot of interest and been driving it forward. So yes have a strategy, have various committees that do various things, but then have a point person whose responsibility it is to deliver the strategy. Unless you have a point person the strategy will not be delivered. In parenthesis, I also worry about these very important people who do very useful work in their daytime jobs sitting around in a committee room in London for three or four hours. The opportunity cost of that must be enormous. They should have a conference call. We need to think about what successful strategies of innovation or change we have followed in the past and whether they can be repeated in this case.

My next point is about the NHS. It has been called the pivotal agency for this subject. It has been criticised by my noble friend Lord Hunt. I want to try to explain why it would be difficult for the NHS to do what is expected of it. We all love the NHS and we are always unhappy with it. We always want to lay more and more aims and objectives and goals on its shoulders. The main thing about the NHS, which will always be the case, is that it is underfunded. It is a universal law that if you price something at zero you will have perpetual excess demand and you will have to ration. You will have to decide what to do and what not to do. Current needs are so acute that things such as innovation may happen, but they will not happen by policy but by accident. As my noble friend Lord Hunt pointed out, you may have innovations that will be helpful and cut costs in the long run but to be able to afford to try that you need a bit of excess fat in the system. That excess fat is not there. If you adopt an innovation and it goes wrong the whole world will descend on you—newspapers and everybody will say, “My God, why are they wasting money doing this?” It is like a poor family living at the edge of the poverty line being told, “The food your children are eating is not healthy. Why don’t you eat organic food?” They reply that yes it would be better for them but they cannot afford it. One of the reasons for the obesity epidemic in poorer families is that bad food is cheaper and good food is expensive. But that is another story.

If we are going to have the NHS do anything about education innovations we will have to think of a new way of doing it. It is also a highly centralised situation.

[LORD DESAI]

I read somewhere—in paragraph 58 or something—that they do not want an innovation that cannot be implemented across the whole thing. Why do they not adopt an innovation and let it spread? That is not in the logic of a centralised system. A centralised system is not very good for encouraging innovation. We know all this. It is not rocket science. Let us be kind to the NHS and say that what it does it does very well but it will not be able to do other things that we want it to unless we generate some extra income for it.

I shall just mention data. The noble Lord, Lord Freyberg, who will follow me, knows much more about the commercialisation of data and so on, and I am sure he will say more about it. However, I shall make two observations. By and large, under both parties in government, we have not been very good at using internet data in a large data-creating strategy—at recording, storing and using large datasets. We have failed again and again and had to abandon it. If we are to see NHS data converted into income and benefit for the NHS, we will have to get a better strategy than we have had so far.

There are two dangers. First, if we insist on centralisation, it is too large a problem to standardise and get all the data in a single format. If we do not do it, however, the problem will be that some regions will benefit from selling their data but others will not. The biggest danger is that as soon as you sell data people will say, “You’re privatising the NHS. Stop it”. I would love to see a package in which NHS data is sold for the benefit of both research and patients and can generate income. If someone can find a way of doing it, they should get a Nobel Prize. But it is not as easy as all that.

I want to say one more thing. It is usually said that in America it is much easier for pharmaceutical firms to innovate. It is more difficult in the UK. Why is that? In the UK we have what I call a monopsony buyer of drugs. There is a single buyer of drugs with very little room for experimentation. It does not have the excess fat to be able to experiment; it must buy whatever is going. In America, not only is expenditure much larger—as a total, as a percentage of GDP and per capita—it is decentralised. A pharmaceutical firm can try out an innovation in this, that or the other region and sell it across much more easily than by going to the NHS and having to bargain over whether it will buy the drugs. This is not an insurmountable obstacle, but we have to understand that the nature of the NHS is such that it would not be a very efficient buyer of innovations that it would be risky to adopt and which could fail.

In this respect, perhaps we ought to study why innovations in fields such as fintech and artificial intelligence in the UK are much more successful. There are fantastic small fintech firms that then grow bigger because they start small and are bought out. The fintech process is similar; it does not involve that much science but it involves technology and imagination in inventing new products and uses. We have a thriving fintech sector and a thriving artificial intelligence sector. It should be similar in this case; we should be able to have many successful small, innovative firms, which

later grow into larger firms—or not. One question we ought to study is: why might there be obstacles in the life sciences sector that prevent such processes happening?

I have spoken for far too long, but this is an excellent report and I am sure the Government will derive the right lessons from it.

7.24 pm

Lord Freyberg (CB): My Lords, I too would like to thank the committee for so thoroughly examining this vital part of our economy and national purpose. This is not simply another industry sector. As the noble Lord, Lord Bilimoria, said, the essence of what it brings is clear in its name: life. It is all the more important, therefore, that we as a nation have a clear, simple and credible strategic objective, backed up by the right ways and means to achieve it for our patients as well as our pocketbooks. We need to do this in ways that play to our natural strengths: our science, our NHS and our willingness to work together in times of need. We should not try to become like the Americans or to build companies, however ambitiously large, in the shape of the biotechs of the past. That would fail, not because we do not have enough ambition, but because to succeed and be credible we must be organised and authentic.

We have a strong legacy of leadership in life sciences. Twenty-five of the bestselling drugs ever were discovered here, but most were commercialised by non-UK companies. To reset this imbalance, we need to give industrial help across the board—to UK innovators and progressive charities to translate great science and data into world-class assets. We need to manufacture them here, show their value through early-access patient use in the NHS and then supply the larger firms with healthcare assets that will be sold abroad, not disappear abroad. We must capture the value of the assets we have here, anchor IP here in the UK and return the high value of health data here, to our NHS. I agree entirely with others that we must have the consent of patients in place for this to work.

UK plc is already in competition for this new life sciences industry with other nations richer and more comfortable with risk than we are. The future health service is about innovation with business to better enable prevention and early diagnosis, so we need to realise this now and act now. To enable pharma and tech companies to thrive here, UK plc now needs to act like a life sciences plc would—joined up, commercial and clearly led.

The strategy and the excellent report cover a broad field, but I shall focus on two areas covered in the strategy: first, harnessing the national infrastructure, which gives us our global offering; and secondly, value capture, which is our reward. We have invested billions in public sector infrastructure that can help industry, large and small. We have basic research and specialised equipment held in universities. We have hundreds of biobanks and thousands of opinion leaders in NHS networks wanting to test new innovations in clinical practice. However, we have allowed much of this to be fragmented, internally competitive and tough to navigate from the inside, let alone for industry, as the noble Baroness, Lady Young, and the noble Lord, Lord Hunt,

made clear so forcefully. We must create a national industrialised product that our innovators can use and promote globally as a simple, credible, national offering in life sciences. The report says that we need a bus driver, but first we need a navigable bus route, with systems working together as a national unit, each part contributing what it is best at, rather than trying to compete with each other for the same bio-dollar.

There are positives that we must celebrate. We are recruiting patients into clinical trials at unprecedented speeds, and providing ever more research-ready, real-world data for virtual clinical trials to be performed. The strategy created programmes that target translation, prevention and early diagnosis. It also laid the foundations for HDR UK to build industry-available data lakes and included the health catapults as a nurturing ground for UK IP and SMEs. It is therefore pleasing to see an additional five years' funding announced today for the Medicines Discovery Catapult.

Moving on to value capture, we cannot invest this strategy's target of 2.4% of our GDP in R&D by 2027 without capturing the value of our health data and IP. No life sciences plc would allow its IP and data to be so distributed and its commercialisation capabilities to be internally competitive and underfunded. The formation of UK Research and Innovation, which combines the research councils with Innovate UK, which grants money to UK innovators, means that we can address this now as part of the strategy.

However, the Commons Public Accounts Committee noted in April this year:

"Currently, ownership of intellectual property resides with the body that conducted the research rather than with the government funder",

and that:

"Other countries, for example China, actively ensure that the products of university research are protected".

Surely we should select the life sciences and health to pioneer a national industrial approach to the IP we generate. In a very British way, which the US could never do, UKRI could help form a central IP function to help universities funnel the best IP into national reserves. Imagine the stimulus Innovate UK could then provide to UK SMEs by giving non-cash grants in the form of access to our health data or our national IP. This would be transformational, pioneering and authentically British. Noble Lords will have heard me, the noble Lords, Lord Mitchell and Lord Scriven, and others in this House recommend that a central commercial support system be provided for the NHS and public sector health data controllers so that industry has one place to come, through which the UK can drive the best commercial deals for the nation.

Today, as the noble Lord, Lord Patel, and the noble Baroness, Lady Neville-Jones, have spoken powerfully about, many health-related data and IP deals are being done bilaterally between a large industry eager for data and grateful hospitals with limited commercial skills eager to get through the winter. These show me that optimising the value of data to the nation is an industrial skill that the public sector does not have at scale. The nation will benefit far more from access to commercial skills able to be deployed from a central independent resource, sponsored by government and

available across the NHS and public research data sources, with strategic national goals, a range of business models to hand and a sovereign fund to receive a national portion of the proceeds. Let industry-savvy commercial skills deal properly with industry. The returns from these sovereign IP and data assets could deliver untold value to the nation to help deliver the 2.4% target.

To bring this together at a time of intense competition—and the need for speed—needs industrial leadership. I applaud the strategic work of Professor Sir John Bell, the ministerial oversight and drive of the noble Lords, Lord O'Shaughnessy and Lord Henley, and the Office for Life Sciences. However, no life sciences plc which believed in such an ambitious strategy would allow itself to be run without a CEO. Here I entirely agree with the noble Lord, Lord Desai: we need a full-time bus driver. Having no single national owner tells the industry that we have no one driver and allows the national infrastructure to remain fragmented. A full-time industry leader should be appointed immediately, with power over the appropriate budget to harness the national infrastructure, to co-ordinate a national product and to ensure that every step is being taken to capture national value.

7.33 pm

Lord Turnberg (Lab): My Lords, I too congratulate the noble Lord, Lord Patel, and his committee on this excellent and timely report. I hope I will not disappoint the Minister too much by saying that I will concentrate on the NHS and the huge effort that is needed to introduce innovations into clinical practice.

The Government's response is strong on what they are trying to do to stimulate even greater innovation and it is hard not to commend them for describing their willingness to put more money in and to develop high-level administrative structures—albeit perhaps too many and too high-level—to encourage and oversee advances in the sciences. Their response is strong on efforts to implement the methods by which these aims might be achieved. But—there is always a but—everyone knows that we in Britain are excellent innovators and inventors but are much poorer at translating innovations into clinical practice for the benefit of patients. Here I echo the wise words of my noble friends Lady Young and Lord Hunt. We are pretty good at defining the problems that are preventing translation but much poorer at defining the solutions. We tend to have masses of data but a paucity of actions based on the data. I will use the example of an interesting effort to introduce a pretty simple innovation into preventive medicine.

I am indebted to Professor Trisha Greenhalgh, whom I heard speak about this recently. She is professor of primary care health science at Oxford and she told us about a trial she was involved with in Newham. The problem they were trying to solve was how to prevent patients with significant memory loss wandering off and getting lost—not too uncommon, you might think. Why not put a simple monitoring device—a GPS system—on their wrists? Let them wear it and whoever was monitoring them would always know where they were. This is a bright idea and so simple that you may

[LORD TURNBERG]

wonder why no one has thought of it before. Of course, nothing is so simple. They tried it out on about 20 people with memory loss in Newham to see if it would work. They immediately came up against a series of problems and at the end of a very few weeks only four people out of the 20 were wearing the device, and they soon stopped.

A whole range of issues was raised. Would people with dementia be happy to wear the monitoring devices? Who would do the monitoring? Family members might be at work or elsewhere. Nurses and social workers are already extremely stretched and overworked. Some even voiced their opposition to people wearing monitoring devices on the basis that it would interfere with individual liberties. They raised the spectre of state interference. They also wondered whether a GPS device of this sort might be a medical device needing approval by the Medicines and Healthcare products Regulatory Agency and, if so, what sort of regulation would be needed. If someone complained, would it not be important for the professionals to get indemnity insurance first?

If this simple device came up against a whole range of hurdles, what hope is there for more complex interventions? It is always the case, I am afraid, that interventions are going to be perceived as disruptive by those who have to introduce them—both the patients and the medical professionals—and they are being introduced in a system that is constantly evolving anyway and many of those who are in it are overworked and stressed, as we have heard. We have reached a situation where it is now at least as valuable, if not more so, to put money into research on delivery uptake—that is jargon for accepting innovations—than on original discovery.

I started by saying that it is much easier to describe the barriers to translation than it is to produce solutions so I will point to where solutions may be found. The first is the recognition by those with the novel bright ideas that these barriers exist. It is no use complaining about the reticence and resistance to change of a backward-looking profession, as there is a tendency to do, I fear. This is a particularly cynical accusation when so many of the innovations that are introduced are the result of efforts by the medical profession itself. The first condition that has to be accepted by all these wonderful high-level committees and authorities that encourage innovation is that on the ground in our hospitals and general practices everyone is overstretched and distracted. The reality is that to gain the interest and confidence of busy doctors and nurses you have to ensure that all the systems are fully worked out; that all the support, technology and personnel are in place to make it simple and straightforward to introduce the innovation; that all the regulatory processes are fully approved; and that the patients are fully informed, their illnesses are suitable for any novel treatment and they are entirely willing to receive it.

Most importantly, if all those are in place and everyone is happy, it needs to be shown not only that the innovations can be used and that they work but that the outcome for patients is beneficial. That is the key. So when some remarkable advance is announced by the Secretary of State or anyone else, and he then stands back and waits for the service simply to get on

with it, he will be missing the mark. There are many steps and hurdles to be overcome when one understands the reality of the health service. What we need is research into the ways in which we can overcome the barriers to adoption and how translation into practice is currently prevented. We need that research just as much as the research that goes into invention and innovation. Without it, we will continue to underachieve.

I am delighted that the noble Lord, Lord O'Shaughnessy, has been given the responsibility of simplifying the innovation landscape and developing policies to encourage the adoption and spread of proven innovations. The Government's response document talks of innovations being adopted "at pace and scale"—everything now has to be at pace and scale. I wish him luck with that.

There is a recommendation in the report that financial incentives should be offered to encourage acceptance of innovations on the ground. I am sure that that would be helpful but I fear that it will be insufficient. Early in the Government's response comes a statement that we have, I think, heard before:

"Our globally-renowned NHS will be a key partner in delivering the deal"—

and so say all of us. But before you can begin to change to early adoption of innovations at real pace and scale, it has to be accepted that the reality of day-to-day pressures on the ground just gets in the way.

I hope the Minister recognises the difficulties and will tell us how he believes they can be tackled. I hope he will be able to address at least some of the problems I have outlined.

7.41 pm

Lord Holmes of Richmond (Con): My Lords, it is a pleasure to take part in this debate. I add my congratulations to the noble Lord, Lord Patel, and the committee on the excellent report they have put together. I feel amply and ably qualified—some might say over-qualified—to take part in this debate, having given up chemistry and biology aged 14 and with a B in GCSE physics, so listen in. It does, however, fit very much with my areas of interest, particularly the interplay between innovation and inclusion and talent and technology. No matter how good the innovation, the IP and the kit, ultimately it is about the people—be they in our marvellous universities and higher education institutions or across our phenomenal NHS. Young people would say to the noble Lord, Lord Patel, that this is a great report, "obvs".

The areas I will touch upon have been mentioned by many noble Lords, but I hope I will bring something new. They include data, talent and immigration. We are often told that data is the new oil that will fuel the fourth industrial revolution, but that undersells it. It is potentially more impactful than Texas tea, because data does not have any finite limits. When it comes to data, perhaps our deepest well, if you will, is the NHS. But as other noble Lords have alluded to, what is NHS data? Does it exist? If it does, who owns it and what form is it in? What do we want to do with it? Can we do something useful with it? The great potential is that, as is all too often the case, the data is partial, patchy and fragmented. However, with current developments,

not least in AI and machine learning, we can turn GIGO on its head and bad data into largely good data, or, if not good data, then useful data.

All the issues have been set out, and are seen not least in examples such as the Royal Free—although I wonder what we may think of that experiment in only a few years. We see the excellent work from the Moorfields collaboration with DeepMind. It is a single provider with a single arrangement with a single corporate body. However, the results should not necessarily be decried because of that. It demonstrates the potential here, not to supplant but to turbocharge our wonderful clinicians. This is augmentation, giving the most phenomenal cognitive prosthetic to anybody in a position to pop it on.

As I said, however, no matter how good the data and the kit, ultimately it is about talent and what we do in this country to develop and embrace it to optimise the benefits for the life sciences and the whole of the fourth industrial revolution. If it was a marathon, we would barely be lacing up our shoes right now. So much needs to be done, whether it is on apprenticeships, degree apprenticeships and FE, or from preschool all the way through to PhD and post-doc. That is demonstrated not least in the current levels we invest in research, as has already been set out.

It is worth offering thanks and respect to my noble friend Lord Baker and the university technical college initiative. He has done more than most, including Secretaries of State in the Department for Education, to make a difference by enabling and empowering talent in the area of science and technology.

I move now to immigration. We have already heard the words “expensive”, “disappointing” and “puts people off”. Surprisingly, that is not a description of the Brexit negotiations but of our current immigration policy. Look at any element of the policy and ask: why would we do that? Why would we have any cap at all on talent? Surely it should be a threshold. If individuals have what we require, wherever they are from, and there are positions available for them to take up, should we not say, “Come on in, you are so very welcome to be part of our next chapter”? Take the student part of the picture. Will my noble friend the Minister tell us the policy reason why international students are included in the net migration figures? Crucially, will he tell us how it benefits Britain, productivity and the mission we are on right now?

Ultimately, life sciences is as good an example as any of the link between talent and technology and between innovation and inclusion. The noble Lord, Lord Bilimoria, undersold the power of life sciences somewhat. He said that, in his industry, each bottle of Cobra has to taste exactly the same as the last. Life sciences is even better than that—and I can say that, on a night out, every bottle of Cobra tastes better than the last.

Noble Lords: Oh!

Lord Holmes of Richmond: That is the power of our life sciences.

To touch on an area that has not been mentioned but which is critical, I turn to the whole question of clusters. We see from the Valley in the US and other

examples around the world how critical clusters are to this. Any noble Lords who have not yet had the pleasure should go to Pancras Square: go there, do it. Only a few years ago, you would not go to that area in daylight, never mind after dark. Now, you come out at the back of King’s Cross and there are beautiful buildings. It is a wonderful physical space. But what you experience is nothing short of a collective, collaborative beating brain for Britain.

Then there is the golden triangle. What plans does the department have to do even more to connect that wonderful Oxford/Cambridge/London golden triangle? Of course, we need other clusters, but that is a key one to push. What is happening with transportation? What is happening to the Varsity Line? What is happening to housing and social provision to make the golden triangle as attractive as possible, so that we have that marvellous coming together of industry, academia and medicine—every element that we need—to collaborate? When we have that co-location and cluster, we see pace happening due to proximity.

We have a phenomenal opportunity. This truly could be the new dawn for Britain if we are able to seize all the opportunities in the life sciences space and across all elements of the fourth industrial revolution. I was lucky enough to be on the Artificial Intelligence Committee, which reported earlier this year, and I also did a report largely off my own bat on distributed ledger technologies. If noble Lords are having difficulty sleeping, they may choose to look at that. My purpose in writing that report was again to drive the possibility into the public good. I titled it *Distributed Ledger Technologies for Public Good: Leadership, Collaboration and Innovation*.

We know all we need to know to make a success of the life sciences and of the fourth industrial revolution, be that AI, machine learning, robotics, distributed ledgers, IOT or nanotechnology. We know everything that we know because we understand psychology, science, philosophy, economics, culture, attitudes and behaviours. What is the department doing across the piece to further turbocharge everything to enable us to make a success of the fourth industrial revolution; to enable the NHS to be the service it always could have been; to drive commercial benefits in the right way, from the NHS, and enable that to go straight back into treatment? An NHS for the future and a nation fuelled by the fourth industrial revolution: that is a better Britain worth fighting for.

7.52 pm

Viscount Hanworth (Lab): In 2014, we witnessed an heroic corporate battle when the American drug company Pfizer mounted a hostile takeover bid for the Anglo-Swedish company AstraZeneca. The bid was successfully resisted. Many politicians were aghast at the prospect of such a large component of the British pharmaceutical industry disappearing into the maw of an American competitor. Some of the leaders of the Conservative Party were conflicted in their reaction to this prospect. The City of London derives much of its income by mediating such takeover bids, and the Conservatives favour the interests of the City. On the other hand, our pharmaceutical industry is one of the few British

[VISCOUNT HANWORTH]

industries that can be said to be world leading; and the loss of one of its principal players would have severely diminished its status.

What was at fault in this episode was the failure of our weak laws of corporate governance to protect British companies from the depredations of foreign competitors. Other European countries, including France and Germany, have created strong barriers to protect their companies against such depredations and activities. It is appropriate, however, to take a closer look at AstraZeneca, which is representative of the large multinational pharmaceutical companies. Zeneca, which is the British component of the company, originated in 1993 from the demerger of the pharmaceutical operations of Imperial Chemical Industries. Zeneca combined with the Swedish Astra company in 1999. Since the merger, AstraZeneca has become one of the world's largest pharmaceutical companies and has made numerous corporate acquisitions. In 2009, GlaxoSmithKline and AstraZeneca were respectively the world's fifth-largest and sixth-largest pharmaceutical companies, measured by market share. However, since then they have been sliding down the scale, and today they are seventh and 15th respectively.

AstraZeneca proudly boasts that its focus is on developing new medicines that would make a meaningful difference to patients' lives; and says that the UK is right at the heart of efforts to achieve this. However, a very different impression is gained by looking at the list of its acquisitions, which have been the basis for its product lines. In this respect, it is probably no different from the majority of large pharmaceutical companies.

For an explanation of the structure of the international pharmaceutical industry, one must consider some of the fundamental economic determinants. Research to find new drugs and remedies is risky and expensive; and there are no guarantees of immediate success. The clinical trials that must precede the release of a new drug are bound to be protracted and expensive. The marketing of a new product requires considerable resources and an extensive sales force. For a while, a proprietary drug can reap huge benefits, but, eventually, the profits will disappear when the patent of the original drug expires. Then the product becomes a generic drug that can be cheaply manufactured and sold by other companies.

The consequence of these circumstances is that large pharmaceutical companies must maintain a steady stream of new drugs passing down the pipeline that runs from their clinical trials to their certification and marketing. To maintain the supply of new products, the companies are involved in an incessant process of wheeling and dealing and of mergers and acquisitions that absorb smaller start-up companies. The failure to maintain a sufficient product pipeline can cause a large company quickly to crash. Thus, at the time of the attempted acquisition by the American drug giant Pfizer, AstraZeneca was in a vulnerable state and Pfizer was also heading in that direction.

Had Pfizer succeeded in its takeover bid, it would have captured the product lines of AstraZeneca; and the likelihood is that it would have suspended the research activities of the company and divested it of its British employees. It seems clear therefore that our

large pharmaceutical companies require much stronger protection against hostile takeovers. However, on looking further down the food chain, it seems clear that the smaller UK companies also require protection. They are the mainspring of pharmaceutical innovation; and to lose them to foreign takeovers would be to lose our international competitiveness.

We should also question whether past experience is the best guide to the future. Modern advances in biochemistry, genetics and cytology imply that, in future, the development of drugs and remedies might proceed in a very different direction. This might utterly alter the structure of the international pharmaceutical industry. The Government continue to adhere to the view that industry should lead the way in stimulating the practical application of biomedical research. The activities of the drug companies are determined largely by their commercial priorities, which are poorly aligned with public health requirements, but the Government appear to be largely unconcerned by this. The one exception to this aspersion is the concern that the Government have shown over the declining efficacy of antibiotics and the failure of the industry to undertake research to find replacements.

The activities of the drug companies could become more closely aligned with the interests of public health if our National Health Service were to exercise a greater leverage over them. This is one of the principal observations of the excellent report of the Science and Technology Committee that we are debating today. The Bell report, which was the precursor to the committee's report, asserted that the NHS is potentially an enormous asset for those attempting to discover and develop new, innovative products and to test their utility in a healthcare system. Given the decentralised structure of the NHS, which is a product of the reforms of the Conservative Government, the organisation lacks a coherent purchasing policy that could redress the power of the large pharmaceutical companies. The result is that many new products that are too costly to afford are denied to NHS patients. A better integration of NHS IT and data services could greatly facilitate clinical trials as well as epidemiological research, and the NHS could thereby become a driving force in medical innovation.

However, these prospects are being severely stymied by Brexit. We have learned that already the EU certification of pharmaceuticals, which has been taking place largely in the UK where the European Medicines Agency has been based, is now taking place elsewhere. The agency will transfer to Amsterdam when the UK leaves the EU. In the event of a no-deal Brexit, our clinical trials will lose their validity as far as the EU is concerned and will have to be conducted elsewhere, or at least in conjunction with an EU partner. This is not the worst of it. Last night we heard from the BBC of the likelihood that the research staff of the Francis Crick Institute would leave in the event of a no-deal Brexit. Some 40% of them are from the European Union and, of those, 78% have declared that they are unlikely to stay. In fact, 51% of all the research staff have said the same. The reasons given are the hostile environment, which will inhibit free movement, and the lack of research funds, of which there will be no guarantee

beyond 2020. The carelessness of the protagonists of Brexit who dismiss all such concerns is incomprehensible to many of us.

8 pm

Lord Crisp (CB): My Lords, it is getting late and I am speaking far down the list, so I shall try not to repeat what others have said. However, let me start by congratulating my noble friend Lord Patel and the committee on tackling this very important topic and pressing the Government on the urgent need for practical—I stress that word—and coherent steps for implementation. As I think every noble Lord has said, the life sciences and the wider health agenda are fundamental to our current and future prosperity. I am not going to comment on the issues of structures and leadership that other noble Lords have talked about but would simply note how vitally important they are in terms of making progress.

I must refer to staffing. Today's press coverage and various briefings that we have all had highlight the fact that science is global, and we need a global workforce that can attract and retain the best. As we have just heard, there are massive risks here. Government support for this is vital and we need to keep a close eye—I hope that the committee itself will do so—on all the proposals on immigration that will come out, and that we will continue to argue for an approach that allows in the people we need. Also, it should not do that on an arbitrary salary level cut-off. The fact is that, in the academic and clinical fields, salaries are often low. People like research nurses are vital, yet they may well be earning below the salary levels proposed.

I turn to the NHS, on which I want to make three points. The first is about this being a two-way street. It is not just that the NHS can benefit innovation but that the NHS also benefits from innovation and development. Yesterday I spoke to Sir John Bell and he reminded me of this. He pointed out that recently he ran a competition for digital pathology which will be transformative. Our current ambitions, as he said, in early diagnosis may provide the best and cheapest route to improving outcomes in cancer. This will be absolutely central to the NHS, so there is potentially—although I stress the word “potentially”—an enormous win-win here.

However, that brings me to my second point: is what the Government are proposing to do to engage the NHS adequate, or is it that this is just another add-on from the point of view of the people who are trying to run the health service? Is it just another priority? Is it the centrepiece, as I think it was described in evidence to the committee? I can see how that will be a major obstacle. I have also noticed that other noble Lords have been talking about the fragmentation of approach; it being too little and too late, and about the need perhaps to mandate some of these changes. I also note the despair of the noble Lord, Lord Hunt, and am reminded of him chairing some 15 years ago the Pharmaceutical Industry Competitiveness Task Force with his normal energy and optimism. As a former chief executive of the NHS, and in fact the last chief executive who had a totally top-down structure, I will avoid being defensive about it and its ability to develop and tackle innovation. However, I recognise

the description of the noble Lord, Lord Turnberg, of the clinical reality of what is actually happening in the NHS from day to day.

I want instead to touch on the word “transformation”. My noble friend Lord Patel and other noble Lords have talked about the need for transformation, but let me make one point. This may be about organisational change but perhaps we need to reconceptualise the whole issue. What would it be like if we start to look at the NHS as an important driver in itself of the economy, as a part of the productive sector rather than just a cost? What I am talking about is not just its support as a base for the life sciences and other great developments but also its development of a productive workforce. It is interesting to note that NHS Improvement thinks that the aim is about productivity in the NHS. What about the productivity of the workforce being part of the aim of what the NHS is there for? Moreover, what about the costs of ill health, which are being recorded very clearly? A report by a UN High-Level Commission on Health Employment and Economic Growth, published about two years ago, developed the links between health systems—in particular, investing in the health workforce—and economic growth in different countries. That is extremely relevant here.

I think that if we started to reconceptualise the NHS as being part of our future prosperity, driving economic as well as social growth in the country, the Government might start to think rather differently about some of their policies. They might consider some of the things that the noble Lord, Lord Fox, talked about: empowering and resourcing people and, as I would put it, improving healthcare and health, rather than empowering and resourcing people to take on innovation. “Innovation” can be a slightly awkward term; what we are actually talking about is improving health, and I use the word “health” deliberately, having recognised in the contribution of the noble Lord, Lord McColl, that it is about health and not just about healthcare and health services. If we took a different approach to the NHS overall, would the policies be different and would the NHS be looking at these things in a different way? Would it want to be a much better partner than we have heard it is?

In saying that, I would note that if we did that, we would not be the first country to do so. South Korea has identified health as one of the great growth sectors. The South Koreans are determined to have one of the best health systems in the world and they are using their great enterprise and ability to create a much larger part of their economy based around health, which is in any case now the largest industry sector in the world. There are examples of that.

I want to touch on my third point before coming back to considering what the future might look like. The NHS is a part, and only a part, of an extraordinarily rich and deep infrastructure that both indirectly and directly supports research, innovation and development. We have heard points made about getting innovation into the NHS, but let us also remember the other factors. For example, it is where most of our homegrown clinical scientists are trained and educated. It also inculcates an important set of collaborative and public interest values into the whole approach to research.

[LORD CRISP]

That helps to maintain the credibility of UK research in the world because it is based on a clearly objective set of values. These are some of the things that we should think about as regards the NHS.

I want also to widen the argument slightly. I would argue that we need to think further about the life sciences sector within a very wide cross-sectoral approach to health and biomedical and life sciences as a whole. In 2015, the All-Party Parliamentary Group on Global Health, which I co-chair, asked the London School of Hygiene & Tropical Medicine to write a report on *The UK's Contribution to Health Globally*. It identified four sectors: government, which included the NHS and DfID; commerce, which included all the life sciences in the sense that we are talking about them here; academia; and the voluntary sector. When you map those things out, you find that there is an extraordinary infrastructure. As my noble friend Lord Bilimoria mentioned, the UK has three of the five top-rated medical schools in the world—including Cambridge, he will no doubt be delighted to know, along with Oxford. We have two of the four highest-rated medical research journals and the top science journal in *Nature*. We have an extensive reach into health issues that are not just about the UK in that we are leaders in research into malaria and into neglected tropical diseases. The UK has an extraordinary footprint which, when we looked at it, was second only to the US and indeed beat it in a number of areas.

At that time—this was pre the referendum—we were beginning to worry that we were mapping the UK's contribution to health in its peak period. Of course, that really will be the position post Brexit, assuming that Brexit happens. We argued that we need policies that strengthen both the whole health sector and the connections between not just the NHS and life sciences but the four elements. We argued that we should aspire to be a global health hub, by which I mean a go-to place globally for all aspects of health, whether it is academia, life sciences, professional education, health systems or international development—all areas where we have extraordinary strength.

I note that Korea is clearly going down this route. It is equally clear from recent developments in the past year or so that both Germany and Japan are stepping up their development in health as part of their economic development and influence on the global stage. I would just say that it is ironic that, when we produced that report, we thought that greater collaboration with Europe was one of the steps we should take to make sure that this vision could come about, but I will not dwell on that point.

We have been asked by the *Lancet*, the Wellcome Trust and others to revisit the report to pick up on recent developments around Brexit, new developments in science—including AI, which has developed rapidly in the past three or four years—new policies that approach bits of the health system such as Health Education England and Public Health England, which are becoming much more global in their outlook, and a range of other issues. That is so that we can re-present a vision that says that, actually, life sciences need to be part of this wider approach to health and there are huge dividends and benefits to be had from that. As I

said, health is the biggest industry in the world by some counts. Now, it seems more important than ever that we get behind this whole health sector in the widest sense, building links across the four elements with real strategic intent.

Finally, turning again to the report, I offer my congratulations on a timely and important contribution and on pressing for practical action in this vital area.

8.12 pm

Lord Stevenson of Balmacara (Lab): My Lords, the debate has been excellent. At times, I felt privileged to listen to those who know a considerable amount about this issue sharing with those of us with lesser knowledge and experience some of the issues they are grappling with. In some cases, the analysis and diagnoses we heard left me in awe. I am worried about how on earth the Minister will respond to the various points in the sort of detail we hope for.

My background may have been in chemistry but I am an accountant and public servant by training, so I am not up on the life sciences. The issues raised today have made me think very hard about the process under which the debate was created. We have here a very substantive report, to which others have given credit; I wish to add my praise for the 32 recommendations, the analysis and the discussion that have gone into the report, which prompted today's debate.

The report critiques another report in turn, that of Sir John Bell, which I read and found extremely interesting, useful and informative. It generated a prompt response from the Government, which is unusual; some of the comments must have hit a few nerves because the response came back very quickly. I am not trying to be unfair but I read it as a rather defensive report; other noble Lords have picked up on the way in which it tried to swamp responses rather than argue them intellectually, which is a pity.

I am left with the fact that when the chairman introduced the report, he said that it was trying to help to move the debate forward and move the idea of a sectoral approach to the life sciences further into action. That is probably right, but his key question left me floundering a bit. Although it is referred to in the report, the question “Who's driving the bus?” seemed to take us off on the wrong track, if you will excuse the pun. I do not think that this is about the driver; I think that it is about the bus. I will come back to that. “Why is it a bus and why is it one bus?” might have been the better question. That is where I want to go with this.

If possible, I want to stand back from the debate because passions have been ignited. People care about our NHS very strongly. It is a fantastic and wonderful organisation; anybody who has ever had anything to do with it knows that we need it here for everyone. The problem is that the concerns about the NHS as an operating activity are interfering with its ability, or our concern about its ability, to develop as a source of innovation and move forwards to the other benefits that we think should come from it. I will come back to that.

In the original *Industrial Strategy* from November 2017, the aim is very clear:

“We will create an economy that boosts productivity and earning power throughout the UK”.

It mentions productivity and earning power. It does not have a sectoral view; it is about generic issues. Five key policies—ideas, people, infrastructure, business environment and places—are lined up against four grand challenges to,

“put the UK at the forefront of the artificial intelligence and data revolution ... maximise the advantages for UK industry from the global shift to clean growth ... become a world leader in the way people, goods and services move ... harness the power of innovation to help meet the needs of an ageing society”.

Where does that leave health and life sciences? I am not sure that the language is a very good match. That also got me thinking. It is important that those with expertise, knowledge and experience of issues that can be supported through policy and finance are able to create the jobs, productivity and wealth that we need as a country. Does it have to be done in one bus though? That is my question. How do the creative industries deal with the issues that are raised as generics under the industrial strategy and life sciences? The DCMS is a different department, with different thinking; we have had this discussion across the Dispatch Box in the past and it is not clear to me. What about education, one of our biggest export earners, and higher education in particular? What about health?

We do not need everybody doing the same thing to have an industrial strategy that creates an economy which boosts productivity and earning power throughout the United Kingdom. If that is true, the sector deals have to be given their own space and their own ability to move forward. The reason I have been thinking about buses is because of why we are getting so exercised about the particularities of the NHS and the problems it faces, rather than thinking about how to solve those in one way while leaving space, time and effort to ensure the developments needed in order to create the industrial strategy are given space to breathe.

To go a little deeper into why I want to take that approach, a couple of speakers from both sides of the House said that if you look at the Government's recommendations, it is very surprising they have not taken the advice of the committee to ensure the Bell report is implemented in full. If you have a strategy and it is what the sector wants, why are you not getting behind it and pushing it forward? They have not done that. Why is the report so full about the number of committees it has set up and the additional money that has been found or reannounced? There is no analysis about those difficulties and problems. The Secretary of State's powers are retained and not devolved in any sense. The Secretary of State might be required to give approval to certain things and is allowed to be on a committee but is not necessarily going to be giving up any power to the sector in order for it to get on and drive its own bus, as it were.

What are the problems that make the NHS so difficult and problematic? If it is a cost prevention driven organisation, why is that not being tackled? Why are we not thinking about terms of trade that would allow it to do better in terms of productivity and support? These are issues I do not see answered in the Government's response, and they are good questions which need to be resolved. The data problem, the visa problem, the education and training problems, how we get behind an organisational structure that bumps

into other parts of government are not picked up well and not resolved. My analysis maybe a bit rough, but if that is right, there are commonalities about the sector we are talking about here—health and life sciences, as well as the creative industries and others. They all have the same problems.

The sector deals need to be taken away from the direct control of BEIS. We should have the strength to look at the way in which the Government are running this area of activity. If we are going to create an economy that boosts productivity, then we need to ensure that the generic issues—visas, the need for better education and training, the support that is required through all the sectors—are dealt with properly. They should be dealt with by BEIS, but the other departments need to step up to the plate and sort out the issues specific to them.

I conclude that the industrial strategy, which is a great thing for the UK if it can be made to work, needs to be supported, but it should be very limited. I put it to the Minister that we think harder about the issues that are best done by BEIS and those that need to be devolved to other sectors. We should look at long-standing problems that affect everyone—to those already mentioned could be added housing and cultural issues. They would need to be sorted at Secretary of State level. We should also look at the way delivery happens in the sponsor department, rather than worrying about the difficulties within BEIS. In that way, we might all make progress in a number of buses delivering to appropriate destinations.

8.21 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, the first question put to me by the noble Lord, Lord Stevenson, was, “How will the Minister respond?”, and I have to say: with difficulty. I am taken back to the first debate on the industrial strategy as a whole, which was in this House in January, when we had many distinguished speakers commenting. I had the misfortune on that occasion to respond, and I hope I made it clear that although my Secretary of State and department were behind the industrial strategy—“industrial strategy” appeared in our name—it went wider than the department as a whole and covered the whole of government.

This debate and the comments of noble Lords went far wider than the scope of the report. My noble friend Lord McColl offered his very welcome advice on obesity; the noble Lord, Lord Bilimoria, spoke about the brewing of beer; and the noble Viscount, Lord Hanworth, talked about company takeovers. Indeed, this issue goes wider than both my department and the Department of Health. I will not follow the noble Lord, Lord Stevenson, in his use of metaphors involving buses, their numbers and variety, because metaphors by their very nature often get one slightly more confused. I will try to deal with some aspects of the report that are of immediate concern, and offer, as always, apologies that it is me responding and not my noble friend, Lord O'Shaughnessy. I understand that my noble friend was in fact giving evidence this afternoon to another Select Committee, which rather precluded him from answering this debate.

[LORD HENLEY]

This debate is a healthy reminder of how seriously we take the work not just of the committee of the noble Lord, Lord Patel, but of all committees of this House. I pay tribute to the noble Lord's committee and its expertise. Whenever I go up and down the country to meet experts in this field or in other fields, a great many refer to the expertise of the noble Lord's committee and of other committees of this House. I then normally respond by saying that I have had the misfortune of having to give evidence to the committee with my noble friend Lord O'Shaughnessy, and how difficult that can be. We are grateful for it; the Government take it seriously. I am grateful to the noble Lord, Lord Patel, and the noble Lord, Lord Stevenson, for mentioning that we responded in a timely manner. Had we been allowed yet more time—I shall not be allowed that much time to respond—we might have been able to do an even better job of responding.

I give an assurance to all noble Lords who have spoken, whether or not they are members of the committee, that we will try to respond in due course to the points that have been made. In that regard, I praise and offer thanks in advance to officials in the Office for Life Sciences for all the work that I will be putting them through in providing me with responses.

I wanted to mention the Office for Life Sciences because, as all noble Lords will know, it is a department of government that reports to both my own, BEIS, and to Health. It is significant, in that it offers some view of how government now works. Going back a long time in history to when I first started in government, I think of how much more siloed we were from department to department. The Office for Life Sciences and other new sections that have grown up during the past few years—this goes back to before the Conservative or even the coalition Government; the noble Lord, Lord Hunt of Kings Heath, will remember that it started under the Labour Government—offer a sign that government in many areas can work better and get a more coherent answer. For that reason, I hope we will be able to respond to a great many of the points raised in greater detail in due course.

I note, as the noble Lord, Lord Patel, stated, that the committee started its report in the summer of last year. In August, Sir John Bell published his report, the first part of the life sciences industrial strategy. I think that my noble friend Lady Neville-Jones looked to us to seek slightly greater ownership of his report. We accept the vision that he set out and have seen prompt implementation of parts of that strategy through the first sector deal that came out so soon after publication of the industrial strategy. We do not want to claim the entire credit for Sir John Bell's excellent report; it is his report that the Government fully accepted.

Sir John's report came out in 2017. At the end of November, we had the industrial strategy itself. We then had the first sector deal for the life sciences in December. We had a debate on the industrial strategy as a whole in January. The report produced by the noble Lord came out in April. As he reminded us, we responded in good time. I do not need to go through the many recommendations that the report made nor the Government's responses to them, but I hope that I can address just some of the points.

I remind those who criticised us for not having done enough since the publication of the report—I think the noble Lord, Lord Bilimoria, was among them—of what Sir John said:

“Since the launch of the Life Sciences Industrial Strategy, Government has made enormous progress implementing its recommendations ... The new Life Sciences ... Implementation Board is functioning and the Office for Life Sciences ... is working hard to deliver the rest of the report. No other sector has made such rapid and effective progress”.

He went on to say that he was surprised by the House of Lords' comments, given the enthusiasm of the sector, this strategy and the progress made.

If I may, I shall just deal with the point about governance that came up so often in the debate. We agree with the committee that a strategic partnership with the sector is crucial to delivering on the vision of the life sciences industrial strategy. It is exactly for that reason that we set up the Life Sciences Council, which has been referred to—the noble Lord, Lord Patel, mentioned the appointment of its new chairman, Andy Haldane. It is a partnership between government and industry, upon which both my right honourable friend the Secretary of State for BEIS and my right honourable friend the Secretary of State for Health sit, to provide strategic oversight for the future of UK life sciences. It provides a forum to discuss how the UK can continue to be a global leader in biopharmaceuticals, digital and health, to help develop products and attract the inward investment we need.

As my noble friend Lady Neville-Jones said, it has 27 members. I take her point—I forget which of Parkinson's laws it is—that it is better to keep committees down to something of the order of about 20. I see that she nods. The same is true of the Life Science Industrial Strategy Implementation Board, with its 24 members. In an ideal world, one would try to stick to 20, but it is always difficult to exclude certain people. Those are the numbers, and I believe that it will still work effectively. That implementation board, the second body I mentioned, oversees delivery of commitments made in the sector deal and will drive progress on future phases of work to implement that strategy. It will be jointly chaired by myself and Sir John Bell and it will have my noble friend Lord O'Shaughnessy on it. It is there and I believe that, with its roadmap and its timetable, it will be able to effectively measure progress as we wish it to and as my noble friend Lady Neville-Jones wishes. We will monitor that progress and will be happy in due course to share that detailed plan as additional written evidence.

I want to add something about the innovation landscape review, a matter of concern to noble Lords, particularly the noble Lord, Lord Patel. We have been working with NHS England to carry out an internal review of the innovation landscape, a publicly funded scheme supporting health and life sciences innovation, from initial idea to deployment by the NHS. As part of that work, we have developed proposals that seek to maximise the impact, for the NHS and the wider economy, of public funding for innovation in health and care. Those proposals will inform our wider work to deliver a health system that supports innovation, promotes testing and the development of health tech and ensures that the best innovations are used, so that the health and care system, patients and the NHS can all benefit as quickly as possible.

Turning to what I might politely call an organogram but is really my own scribbles on the list of speakers, I note that virtually every noble Lord expressed concern about the mine of NHS data, the need for informed consent, and what use we could make of it. As has begun to be explained to me, one strength of the NHS lies in its data, and the potential advantages to this country. I forget who used the analogy or metaphor of a mine, but it is one in which we must dig. It is also one where this country will have advantages way beyond those of any other country in the world. It presents opportunities for the benefit of patients and the wider economy.

As the noble Lord, Lord Fox, and others made clear, however, a key underpinning for the use of healthcare data will obviously be in building the appropriate trust with the public, along with professionalism and transparency in the use of data, with the information shared in a safe and secure manner. To assist in moving that agenda forward, NHS England and the Local Government Association are establishing a set of local health and care record exemplars, focused on establishing best trust in information sharing. This includes: information governance approaches; the associated cyber standards; how professional engagement should be conducted; and the implementation of associated technical and interoperability standards. These will enable information to be shared and linked across different systems in a consistent manner. I think all of us agreed that we have this and must make use of it, but we will have to tread very carefully to make sure that we can get it. I noted carefully what the noble Lord, Lord Fox, and many others said on this issue.

I turn to the question of immigration and the Migration Advisory Committee's report. Again, I accept that this issue is of considerable concern and we have to get it right, bearing in mind the vital role that we play in making Europe a pioneering base for research and values, and the contribution which international researchers make to the whole of the UK. That is not going to change when we leave the EU. We will seek an ambitious relationship on science and innovation with the EU. That includes continuing to explore future UK participation in mutually beneficial research programmes with our EU partners, in addition to supporting science, research and innovation. Following the publication of the Migration Advisory Committee's report on students and EEA workers, we are working with the DfE and the Home Office to achieve the best outcome for science and research in the future immigration system. We will continue to work with them to ensure that any immigration system and/or mobility frameworks serve the needs of science and research.

Perhaps I may correct one point that I made earlier. I am grateful to those who advise me on these matters. I talked about Andy Haldane as the chairman; it is of course Pascal Soriot. I see the noble Lord, Lord Fox, nodding. I apologise to them both but I have at least now got that answer on the record.

As I said earlier, I do not think that it would be for me to go into greater detail on the vast array of questions that were put before me during the debate

but I will co-ordinate a response to all those who have spoken. I might even try to persuade my noble friend Lord O'Shaughnessy to sign some of the letters. The key thing to get over is something that was stressed by all speakers: just how important the life sciences area is to this country. That area is worth over £70 billion. It provides jobs for almost 250,000 people. In 2017, we received the highest level of life sciences foreign investment projects in Europe, the highest for the past seven years, and second only to the United States. The sector continues to grow and the Government's ambitions will also continue in this field. As we made clear in the industrial strategy, we have committed to increase investment in R&D to some 2.4% of GDP by 2027 and to more than 3% over the long term, unlocking an estimated £80 billion over the next 10 years. Our ambition remains for the United Kingdom to be the best place in the world to develop and launch innovative medicines, technologies and diagnostics. We want that to continue. This country is home to a thriving and vibrant life sciences sector. Realising the vision of the industrial strategy and of the part of the industrial strategy that we are debating tonight is crucial to unlocking the opportunities that are appearing ever more rapidly on the horizon.

We will listen to what the committee had to say and to what has been said in the debate. I will make sure that copies of the debate go to members of the implementation board that I have the honour to chair. As we make the ambition of the strategy a reality, we believe that we will continue to strengthen the reputation and appeal of this world-beating sector. I end by again thanking the noble Lord, Lord Patel, and his committee for their work.

8.41 pm

Lord Patel: My Lords, the time is late and this has been a long, but very useful, debate. I thank all noble Lords who have so enthusiastically taken part. There have been some excellent speeches. Debate on any report of a House of Lords committee should not be confined only to members of the committee. The rest of the Members the House should be able to take part, and the speeches we have heard show that other Members have been able to take part.

I do not want to be ungenerous to the Minister. I well understand that, in a long debate with lots of questions, he did not have time to absorb them and produce a response that we might find satisfactory. I am glad that he has committed himself and the noble Lord, Lord O'Shaughnessy, to take on board all the comments that were made and all the questions that were raised, and we look forward to a full response.

As we all want to support this strategy to be a success, we will no doubt come back to this. It may even be that the Science and Technology Committee may look at this again in a year's time to see how the strategy is progressing. I thank all noble Lords.

Motion agreed.

House adjourned at 8.43 pm.

Volume 793
No. 194

Tuesday
23 October 2018

CONTENTS

Tuesday 23 October 2018
