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PARLIAMENTARY DEBATES  
(HANSARD)

# HOUSE OF LORDS

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The first time a Member speaks to a new piece of parliamentary business, the following abbreviations are used to show their party affiliation:

<b>Abbreviation</b>	<b>Party/Group</b>
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
Lab Co-op	Labour and Co-operative Party
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

Thursday 21 May 2020

11 am

*Prayers—read by the Lord Bishop of Portsmouth in a Virtual Proceeding via video call.*

## Arrangement of Business Announcement

11.04 am

*The announcement was made in a Virtual Proceeding via video call.*

**The Lord Speaker (Lord Fowler):** My Lords, Virtual Proceedings of the House of Lords will now begin. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute, and the broadcasting team will unmute them shortly before we reach their place in the speakers' list. When Members have finished speaking, their microphones will again be set to mute. The Virtual Proceedings on Oral Questions will now commence. I ask everyone please to keep questions and answers as brief as possible so that we can fit in as many on the list as possible.

## Hospitals: Patient Safety Question

11.05 am

*Asked by Baroness Browning*

To ask Her Majesty's Government what steps they are taking to update the guidance given to hospitals about ensuring the safety of patients who do not have Covid-19 who require life-saving emergency treatment.

*The Question was considered in a Virtual Proceeding via video call.*

**The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con):** My Lords, despite Covid-19, the day-to-day health of the nation remains the business of the NHS. That is why the NHS has issued a new operating framework to help hospitals to continue providing essential and emergency care for patients who do not have Covid-19. This guidance is being kept under review. I have placed a copy of the framework in the Library.

**Baroness Browning (Con):** Emergency admissions, of which we have seen many, though perhaps not enough, have resulted in people being very afraid of going into hospital, because there has been a lack of information for the general public. For example, what happens at the triage stage, what sort of PPE will

people be wearing and how will they be protected? What can the Minister do to reassure the public that they will be safe and, on top of their emergency, will have the absolute minimum chance of getting Covid-19?

**Lord Bethell:** My Lords, I acknowledge that people's concerns have led to a decline in attendance at A&E. That is why the NHS is running an "Open for business" media campaign, encouraging all patients in need of urgent or emergency medical care to seek appropriate treatment, including, where appropriate, attendance at A&E.

**Lord Clark of Windermere (Lab):** Is the Minister aware that North Cumbria Integrated Care NHS Foundation Trust has confirmed that for five weeks 100 staff working in its operating theatres had to use respiratory face masks that had not been individually fitted, putting patients and staff at risk? The regulatory-fit test had not been applied. Can the Minister look into this and check that all the other trusts in England are not making the same error?

**Lord Bethell:** The noble Lord raises a question about north Cumbria, which I do not know about specifically, but I reassure him that the arrangements for PPE in hospitals have been made extremely professionally and thoroughly. Billions of items of PPE are available, and training on the fitting, wearing and changing of PPE is provided for all front-line clinical, support and other staff.

**The Lord Bishop of London:** The report recently published by the Institute for Public Policy Research, *Care Fit for Carers*, found that half our healthcare workers have said that their mental health has deteriorated since the Covid-19 crisis began. What supplementary provision is being put in place to deal with the mental health needs of NHS staff?

**Lord Bethell:** My Lords, I acknowledge the expertise of the right reverend Prelate the Bishop of London, who, in a former life, was the Chief Nursing Officer. She raises an important point; the mental health of staff is of enormous and grave concern to the NHS, to the department and to social care. We are investing money in providing additional mental care support and are working closely with the colleges to find out how best we can provide that important support.

**Lord Ribeiro (Con):** My Lords, the specialist guidance on the management of non-coronavirus patients needing acute treatment, issued on 20 March, put senior decision-makers at the heart of triaging patients referred for admission. To assist them, what role would testing for Covid-19 play on admission, and what proposals are there to utilise the Nightingale hospitals as a step-down facility for Covid-19 patients, thus reducing their numbers in NHS hospitals and allowing those hospitals to deal with the backlog of cases?

**Lord Bethell:** My Lords, there was some interruption in hearing my noble friend's question but, if I understood him correctly, the answer is that all patients are now

[LORD BETHELL]

tested on entry to hospital. Until their test result has arrived, they are treated as though they have Covid-19 and isolated wherever possible.

**Baroness Barker (LD):** How will the Government enable hospitals to work on a regional basis, co-operatively, to optimise the use of surgical and radiological resources?

**Lord Bethell:** I am afraid that at the moment, I cannot give a precise and thorough answer to the perceptive and very detailed question asked by the noble Baroness, but I will be glad to.

**Baroness Fall (Con):** We pay tribute to all those doing so much to help Covid-19 sufferers. However, we must not lose sight of others, such as cancer sufferers, who are being adversely affected by being afraid to go for diagnostics, having surgery and treatment cancelled, low supplies of key drugs such as painkillers, and research budgets being hit. Can the Minister reassure the public about this and tell us what he is doing to address these problems?

**Lord Bethell:** The situation of cancer patients is of grave concern. We have restored all the treatments, surgery and other systems necessary for treating cancer, and we have put in place testing facilities so that those with suppressed immunity can be tested and therefore enter treatment centres with confidence. It is a situation that we maintain under review, and we are working hard to ensure that drugs and painkillers are in ready supply.

**Baroness Campbell of Surbiton (CB):** My Lords, there are many specialist units that provide ongoing support and life-saving treatment to people with long-term, complex disabilities. Many of these units have been turned into Covid wards, for example, the National Spinal Injuries Centre at Stoke Mandeville. Will the Minister inform me when these units are likely to return to their original function? What is happening to this cohort of patients in the meantime?

**Lord Bethell:** My Lords, the NHS chief executive, Sir Simon Stevens, has written to all NHS organisations signalling a change in the phasing of our response to Covid and inviting them to return operations given over to Covid to their previous use wherever possible. I hope very much that this will lower the impact on patients that the noble Baroness described. If she has a specific example in mind, I would be glad to inquire about it.

**Baroness Thornton (Lab):** Is the Minister aware that some NHS trusts are diverting 999 and GP emergency admission calls to hospitals other than the nearest hospital to avoid transmitting Covid between patients? Can he tell the House when that will stop? Do the new guidelines allow the Government to provide finer-resolution data on hospital admissions, which will assist understanding of optimal admission, treatment and resource allocation strategies?

**Lord Bethell:** The noble Baroness speaks about infection control measures regularly undertaken by trusts. Ambulances frequently take patients not to precisely the nearest hospital but to the one best suited to treating the patient. These infection control measures have been extremely effective and will continue for the foreseeable future.

**Baroness Jolly (LD):** My Lords, NHS Providers has concerns about the Government's testing strategy for Covid-19. Will the Minister tell the House when every patient and health and care staff member with suspected Covid-19 symptoms who needs a test will consistently be able to get one within an appropriate turnaround time? When will the updated strategy be published?

**Lord Bethell:** My Lords, every member of the NHS or social care employee can currently get a test when they present symptoms. They can do that through their employer, directly through the online service or a hotline. The turnaround time in 95% of tests is within 48 hours.

**Lord Singh of Wimbledon (CB):** There is a widespread fear of contracting Covid-19 on entering hospital, even where there are Covid and non-Covid zones. What steps can the Government take to reduce this real fear by limiting Covid patients to certain hospitals or by other measures?

**Lord Bethell:** The noble Lord speaks of a fear that I recognise. It is a sad feature of our times that patients who should be in hospital are anxious about attending because of possible infection with Covid. Different trusts approach this in different ways. Some sites have been deemed Covid-free and are used for, for instance, cancer treatment, whereas larger sites manage differently, perhaps by allocating certain buildings to be Covid-free and others not. We have tried our hardest to reassure the public that they can proceed in the NHS with safety.

**The Lord Speaker (Lord Fowler):** My Lords, the time allowed for this Question has elapsed. We now come to the second Oral Question, from the noble Lord, Lord Teverson.

## UK Shared Prosperity Fund *Question*

11.16 am

*Asked by Lord Teverson*

To ask Her Majesty's Government when they intend to publish their proposals for the roll out of the UK Shared Prosperity Fund.

*The Question was considered in a Virtual Proceeding via video call.*

**The Minister of State, Home Office and Ministry of Housing, Communities and Local Government (Lord Greenhalgh) (Con):** The Government recognise the importance of bringing clarity on the UK shared prosperity fund. Decisions on its design will need to be

taken after a cross-government spending review. In the meantime, we will continue to work closely with regional partners while developing policy.

**Lord Teverson (LD):** I thank the Minister for that Answer, although it is rather disappointing. This is urgent. In their manifesto, the Government made a commitment to launch this fund. Time is running out on EU funding, and we need this funding to bring up regions in the post-Covid-19 recovery. Can the Minister give some feeling about when this scheme will be announced in detail so that people can prepare for it locally and regionally? Can he confirm that the amounts available to regions will be the same as they would have been under European funding?

**Lord Greenhalgh:** Yes, I can give the noble Lord an assurance that the amount of funding will be at least at the same level as all the European structural funds it replaces. I cannot say any more about the timing, and I refer to my previous point about the importance of the comprehensive spending review.

**Lord Young of Cookham (Con):** My Lords, the assurance that the Minister has just given on funding is very welcome. Do the Government propose to invite competitive bids for the prosperity fund in England and make decisions centrally, or to allocate funds to the areas and regions concerned and promote local decision-making?

**Lord Greenhalgh:** I thank my noble friend for his question. This is a unique opportunity to provide the right priorities for the United Kingdom and to design something that levels up the four nations and our less developed regions. It is a great opportunity to do that and the details will be forthcoming. I note my noble friend's point.

**The Earl of Clancarty (CB):** My Lords, from Stornoway's Creative Industries Media Centre to the television series "Peaky Blinders", the European Regional Development Fund has provided significant support to creative industry projects in infrastructure and content across the country. Will there be the same level of funding through the prosperity fund? Will there be continuity of funding? Will there be separate replacement funding for Creative Europe?

**Lord Greenhalgh:** I thank the noble Earl for his point about support for the creative industries from the European Regional Development Fund. The purpose of this new UK shared prosperity fund is to level up and provide the support needed to do that. I cannot say any more around specifics for support for the creative industries at this stage.

**Lord Kennedy of Southwark (Lab Co-op):** My Lords, the Lords Select Committee on Regenerating Seaside Towns recommended that the UK shared prosperity fund should target the development of coastal business. What is the Government's attitude to this, and when will we see detailed proposals from the Government? Does the Minister agree that the revival of our coastal

towns, improving the offer to visitors, has taken on a whole new importance as more and more of us will be holidaying at home in the years ahead?

**Lord Greenhalgh:** I thank the noble Lord for raising the issue of support for coastal towns. It is important that those economies are raised up and do not fall behind the UK average. The whole purpose of this fund is to level up the United Kingdom, and I assure the noble Lord that we are specifically looking into the best way of doing that.

**Baroness Scott of Needham Market (LD):** My Lords, the voluntary community and social enterprise sector has made very effective use of EU structural funds. However, generally it can be very difficult for the sector to access public sector procurement and bidding processes. Therefore, will the Minister undertake to consult the sector before the details of this new scheme are put in place?

**Lord Greenhalgh:** I thank the noble Baroness for her question. It is very important that we consult the local community and voluntary sector. This is an opportunity, through one fund, to reduce bureaucracy and avoid form-filling, and for precisely that reason we will engage with the wider voluntary and community sector.

**Lord Taylor of Warwick (Non-Affl):** My Lords, inequality anywhere is a threat to equality everywhere. Will the Minister confirm that the priorities and objectives of the UK shared prosperity fund will remain—in particular, to boost economic development, especially in the inner cities and other impoverished areas—irrespective of the Covid-19 situation?

**Lord Greenhalgh:** I thank the noble Lord. We have to ensure that we level up and that that cuts across all communities that are lower than the national average. That will be a focus for the fund in question.

**The Earl of Caithness (Con):** My Lords, programmes such as the LEADER programme are very important for rural areas. Notwithstanding what my noble friend has said about inner cities and seaside towns, will he confirm that the funding in rural areas will not be diminished?

**Lord Greenhalgh:** We have a real opportunity, through the UK shared prosperity fund, to design a fund that is driven by our national priorities and needs. The decision on how the fund will be allocated will be taken as part of the funding review. However, I underline that support for rural areas is critical if we wish to achieve that ambition.

**Baroness Hayman (CB):** My Lords, there is increasing evidence of green projects creating more jobs and delivering higher returns per pound invested. They are also spread across the whole of the UK. Therefore, will the Government prioritise green investments in their design of the fund?

**Lord Greenhalgh:** The design of the fund will be made public at a later date. I know of the interest that there is in green issues, and of course they are a critical part of what the Government are seeking to do.

**Baroness Mallalieu (Lab):** Given that the left-behind places, which the Government promised to help in the December general election, are likely to be the hardest hit in the current economic crisis, will the Minister assure us that the Government will have this fund ready for operation by 1 January 2021, when EU structural funds end?

**Lord Greenhalgh:** I refer the noble Baroness to my previous answer. I cannot make a specific commitment on the timing but we obviously realise that, with the pandemic, it is important to proceed as fast as possible.

**Lord German (LD):** Will the Government not only replace the money for Wales from the European funds pound for pound but match the powers that the Welsh Government currently have over those funds?

**Lord Greenhalgh:** The noble Lord will recognise that Wales receives more per capita than any of the four nations. I have made a commitment that the overall level of the funds will, at the minimum, remain the same, but I cannot go any further on the specific funding for the various nations.

**Lord Caine (Con):** My Lords, we are all well aware of the scenario in which the UK Government provide the money and the devolved Administrations then take the credit for spending it. Can my noble friend assure us that all projects supported by the shared prosperity fund will be appropriately branded to acknowledge the role of the UK Government in order to underline the importance of our union?

**Lord Greenhalgh:** I can give my noble friend that specific assurance.

**The Lord Speaker (Lord Fowler):** My Lords, I congratulate colleagues and the Minister because we got through all 10 questions—something that we have not done very frequently during Question Time—so I thank noble Lords for that. The third Oral Question comes from the noble Lord, Lord Howell of Guildford.

## **Oil: Changes in Global Markets**

### *Question*

11.25 am

*Asked by Lord Howell of Guildford*

To ask Her Majesty's Government what assessment they have made of the changes in global oil markets and the implications of those changes for (1) trade, (2) addressing climate change, and (3) international security.

*The Question was considered in a Virtual Proceeding via video call.*

**Lord Howell of Guildford (Con):** My Lords, I beg leave to ask the Question standing in my name on the Order Paper and draw attention to my interests as listed in the register.

**The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con):** The global Covid-19 pandemic has resulted in unprecedented falls in demand in global energy markets and increased market volatility. The Government are closely monitoring developments and assessing the implications, including for the UK's oil and gas sector and for climate change, with an emphasis on the importance of a clean, resilient recovery and international security. In doing so, we are in regular contact with international partners.

**Lord Howell of Guildford:** I thank my noble friend for that reply. Does he agree that, with the average spot price of crude oil now around \$25 to \$30, having been down to almost zero the other day in the US, we are back at about the same cost per barrel as in 1970, which at that time was about \$3 to \$4, before the rise of OPEC? Is it not likely to stay that way, given the worldwide supply surplus, together with the huge demand reductions that he has just referred to? Do the Government see this as a good prospect? Could relatively cheap energy and low petrol prices help post-Covid economic recovery and maybe clip Mr Putin's wings as well, or are there some dangerous costs and disadvantages, such as a further blow to the North Sea and the transformation to green energy being made a lot more difficult?

**Lord Callanan:** As my noble friend has implied, there are of course advantages and disadvantages. Around 11% to 13% of our domestic oil demand and around 47% of domestic gas demand are currently met through domestic hydrocarbon reduction. Any significant impact on oil production and prices would lead to an increased reliance on imports and therefore a loss of revenues from the North Sea. Of course, there are benefits as well—certainly regarding motoring costs and so on.

**Baroness Falkner of Margravine (Non-Aff):** My Lords, the Minister will recognise that there is a perverse logic in that low oil prices reduce incentives for companies to move to cleaner technology. Will he consider the case for a higher carbon tax price or a tax as part of the future carbon pricing system to counter the slump in the oil markets and to retain pressure for green growth?

**Lord Callanan:** Of course, the UK already levies two carbon prices on fossil fuels, both through the European Emissions Trading Scheme and with a separate carbon price support mechanism. Over the summer of 2019 we consulted on options for long-term carbon pricing and we intend to publish a reply shortly.

**Lord Moynihan (Con):** My Lords, I refer to my interests as declared in the register. The oil markets have responded positively to the latest OPEC agreement, but does my noble friend agree that high on the list for

the Government's investment strategy will need to be an urgent and supportive top-down, bottom-up review of the UKCS oil and gas industry, including those involved in decommissioning?

**Lord Callanan:** We understand that this is a troubling time for this vital sector for the economy. We are in regular contact with the industry. It is taking advantage of our unprecedented financial recovery packages and we will continue to monitor the situation.

**Baroness Meacher (CB):** My Lords, as the economy picks up following the Covid-19 pandemic, the UK, with its considerable technical knowledge, has an opportunity to lead the world in producing sustainable energy. The Minister referred to contacts with other countries. Can he say a little more about those contacts, which will help to ensure that we benefit from this extraordinary situation?

**Lord Callanan:** As well as maintaining contacts with other countries, we invest considerable funds in helping countries in the transition and in promoting their domestic carbon reduction targets. The noble Baroness makes an important point and we will keep that in mind.

**Lord West of Spithead (Lab):** My Lords, oil was trading at over \$34 a barrel for West Texas Intermediate and \$32 for Brent Crude by early Monday—up from a month ago, but 50% less than at the beginning of the year. The impact on fracking has been huge. There are fewer rigs now operating in the USA—some 600 or so less than at the beginning of the shale revolution. Low prices and market volatility have serious implications for countries that rely on oil exports, with, I believe, considerable impact on global security. The volatility also strengthens the need for the UK to speed up development of nuclear elements of our electrical energy supply. Can the Minister tell me when Hinkley Point C and the next new nuclear power station after that will be connected to the grid, and confirm that work continues despite the Wuhan virus?

**Lord Callanan:** The noble Lord is right to draw attention to the implications for international security from low prices and the impact that it will have on producing countries. We will continue to monitor the situation closely. We believe in a diverse energy supply in the UK, including nuclear. I cannot yet give him a specific date, but we will want to get the new nuclear power station on stream as quickly as possible.

**Lord Oates (LD):** Can the Minister assure us that the Government will resist the siren voices of those proffering a false choice between action to tackle climate change and action to rebuild the economy? Will he confirm the Government's commitment to net zero by 2050 and that they will urgently establish schemes to promote a job-rich green recovery?

**Lord Callanan:** I can agree with all the points that the noble Lord has made. We are committed to our 2050 target and we are committed to a green and resilient recovery.

**Lord Naseby (Con):** How will we help the Arab world to adjust, particularly our friends in Saudi Arabia and Qatar? Alongside that, as far as the UK is concerned, does Covid-19, on top of these changes, mean that domestically we will have to reappraise the rate at which we can implement climate change policies?

**Lord Callanan:** Our 2050 targets are now legally binding. We are committed to them and do not believe that there is any need to review them. We believe that we can continue with those targets and prioritise economic recovery at the same time; we do not believe that they are mutually exclusive.

**Lord Alton of Liverpool (CB):** My Lords, as Nigeria, Africa's biggest country, seeks \$7 billion of emergency funding from the IMF to offset the crash in oil prices—from which Nigeria receives 70% of its revenue—what assessment have we made of the effects of the crash on the economy and social cohesion of Nigeria and of how we might use some of the £800,000 which the UK gives Nigeria every day in overseas aid to help it address the deep-seated structural problems and reliance on oil exposed by Covid-19?

**Lord Callanan:** The noble Lord makes an extremely good and valid point. The Foreign Office and the Department for International Development will be closely monitoring the situation. We have a close affinity with people in Nigeria and we will do all that we can to help them; he will be aware of our very large aid budget in that country.

**Lord Grantchester (Lab):** The one constant in the oil market is increasing volatility and falling demand as the world economy has to move towards zero-carbon systems. Realising this, large oil companies will need to accelerate zero-carbon plans to diversify their portfolios away from oil without causing redundancies. Given the climate challenge, what are Her Majesty's Government now doing to encourage this?

**Lord Callanan:** The noble Lord is right. Companies across all sectors will be vital in our work to meet our 2050 net-zero targets. We want all business leaders in all sectors to make ambitious emissions reduction plans to help meet the commitments that we have set out under the Paris agreement.

**Baroness Bowles of Berkhamsted (LD):** Given oil-related job losses and the likely continuing reduced oil demand, will the Government promote faster repurposing of UK oil-related industries, especially in the light of the EU revisiting the idea of building champion industries through joint state aid?

**Lord Callanan:** We want to encourage those industries to diversify as quickly as possible. Many are doing so and have already announced plans, but, ultimately, of course, this will be market led with government incentives being provided; we are doing that.

**Lord Reid of Cardowan (Lab):** At the time of the Scottish independence referendum, oil was running at over \$100 a barrel. Given the steep fall in the price of oil, what estimates, if any, have the Government made of the present state of the Scottish economy with respect to strengths or fragility?

**Lord Callanan:** The noble Lord makes a powerful point. The independence plans of the SNP have been thrown into disarray by the low oil price—we all know the economic forecasts it made at the time. We are of course in close contact and collaboration with the Scottish Government on all these matters. We will continue to assist and help them in their plans going forward.

**The Lord Speaker (Lord Fowler):** That brings this group of questions to an end. Again, I congratulate the Minister and colleagues on getting in all 10 questioners on the list.

## Unemployment: Support *Question*

11.36 am

*Asked by Baroness Sherlock*

To ask Her Majesty's Government what steps they are taking to provide additional support to the increasing number of people claiming benefits for unemployment.

*The Question was considered in a Virtual Proceeding via video call.*

**The Parliamentary Under-Secretary of State, Department for Work and Pensions (Baroness Stedman-Scott) (Con):** Without wishing to denigrate the size of the issue that we are facing, I make the point that although we have 2 million new claims to universal credit, this does not equate to the number of people who are becoming unemployed. Some are claiming because they are on part-time hours or their pay has decreased. Government employment Ministers are engaging with all government departments, businesses, stakeholders and front-line staff, to hear their views, learn from them, listen to ideas and make sure that we can provide the best possible support in this difficult time. I can assure all noble Lords that much is going on across government and that, in time, we will update the House with our progress.

**Baroness Sherlock (Lab):** My Lords, those 2 million claims are up 856,000 in a month, and with one-quarter of the workforce on furlough this could get a lot worse soon. I welcome the changes that the Government have made but they do not match the scale of the crisis. People are losing jobs and hours but finding that the standard rate of universal credit is only £94 a week and the JSA just £74. When will the Government remove the savings threshold for universal credit and

level up legacy benefits? Crucially, what is their plan to stop rising unemployment leading to home repossessions and widespread poverty?

**Baroness Stedman-Scott:** I am unaware of any plans to change the savings threshold at present, nor indeed to level up legacy benefits. The noble Baroness is right to keep us focused on the potential size of the problem that could be coming down the road, and I assure the House that we are closely monitoring the evolving labour market and the public health situation to identify and implement the most effective way to help people to stay in work and stay close to work.

**Baroness Lister of Burtersett (Lab):** My Lords, many unemployed workers will not benefit from the additional financial support that has been announced because of the benefit cap, despite the grace period. Last week the Minister failed to answer my noble friend Lady Sherlock's question as to why the Government are refusing to lift the cap during the crisis. Could she therefore answer it now and explain what purpose the cap serves when the labour market has "collapsed", to quote the IFS, and moving home is not a realistic option?

**Baroness Stedman-Scott:** As it stands, the Government are not going to change the benefit cap, but it will be reviewed at some point. The noble Baroness's point about people's circumstances in terms of loss of income and not being able to move house is a very fair one; I thank her for raising it and I will take it back to the department. Tomorrow we have the all-Peers briefing with the Minister for Welfare Delivery, and I urge the noble Baroness to raise this point yet again.

**Baroness Janke (LD):** What will the Government do to address the needs of under-25s and care leavers who find themselves on zero income and are currently treated unfairly under universal credit?

**Baroness Stedman-Scott:** The issue of care leavers is very important. We are providing a range of support. I am not aware of any changes to our position on universal credit regarding them, but I will take the matter back to the department and write to the noble Baroness.

**Lord Blencathra (Con):** My Lords, I am concerned about young people, so I ask my noble friend what tools are available to help young people looking for employment to match their skills to current labour market vacancies.

**Baroness Stedman-Scott:** The Government have announced a National Skills Fund of £2.5 billion so that we can continue to upskill young people. Jobcentres are continuing to support them through these difficult times: they have started to re-engage with new and existing claimants and are reviewing all measures at their disposal. The DWP is in discussions with local partners, national partners and the Youth Employment Group set up by the Prince's Trust. More importantly, we are working with all departments across Whitehall

to make sure that a range of appropriate support is available to young people, including those from complex backgrounds, as raised by the noble Baroness, Lady Janke.

**Baroness Uddin (Non-Aff):** My Lords, what assessment is being made of those currently unemployed and those facing imminent unemployment, particularly people with disabilities and autism? Can the Minister assure the House that her department, particularly post lockdown, will ensure that adequate financial support is made available to NGOs specialising in preparing specifically young disabled people for work and supporting them in it? Will she consider meeting the All-Party Parliamentary Group for Disability on this issue once she is available?

**Baroness Stedman-Scott:** I will answer the noble Baroness's last point first: of course, I am prepared to meet groups that are trying to help people in this very difficult position. I am sorry that I am not in a position to make financial commitments, but I can say that the Prime Minister and the Chancellor have made it clear that we will do whatever it takes to help those affected by Covid-19. We are keeping the situation under continuous review.

**Baroness Blower (Lab):** My Lords, the level of unemployment that we are confronting is, frankly, unthinkable. We know that even before this crisis many individuals and families were literally one pay cheque away from financial disaster. Noble Lords may not know just how low benefits are and how impossible they are to live on. We as a society have to find the resources to ensure that people can keep a roof over their heads, food on the table and clothes on their backs. Will the Government therefore convert universal credit advances into grants and end the five-week wait?

**Baroness Stedman-Scott:** The noble Baroness asks about converting advances into grants. I am sorry to say that the Government have no plans to do that. On the five-week period, no one has to wait five weeks for their money, but the five-week wait is an integral part of the design of universal credit. The Government are cognisant of the difficult situations that people find themselves in and are doing everything they can to support them in this difficult time.

**Baroness Tyler of Enfield (LD):** My Lords, does the Minister agree that it is essential that government regulators and creditors work together to ensure that unemployed people who fall behind on essential bills and credit commitments are protected from falling into unsustainable debt by an immediate pause on all forms of collection and enforcement activity?

**Baroness Stedman-Scott:** I agree with the local Baroness that we must all work together to support those who are in debt. When it comes to suspending enforcement, there are very difficult questions and answers. I would like to go away and write to the noble Baroness after this Question on the specific point that she raises.

**Lord Haskel (Lab):** Like other noble Lords, I am concerned about young people. Will the Minister be more specific about extra support, such as the transitional funding for training, support for the many disrupted apprenticeship schemes and perhaps reintroduction of Labour's Future Jobs Fund, with guaranteed offers of work for, say, six months? Surely she will agree that improving their future careers would help us all through higher productivity, higher standards and fewer benefits paid.

**Baroness Stedman-Scott:** I completely agree with the noble Lord that we must invest in young people's future careers, and I take his point about the Future Jobs Fund. I can only reiterate what I have said: we are doing everything that we can to help young people re-enter the labour market.

**Baroness McIntosh of Pickering (Con):** My Lords, many of the self-employed in the hospitality and tourism sectors in rural areas such as North Yorkshire have suffered great losses. What support is being given to the self-employed in situations where they might have lost the greater part of the season, which is comparatively short? Are the Minister and the department braced for the next wave of major losses when the furlough scheme comes to an end?

**Baroness Stedman-Scott:** With regard to the hospitality sector, I assure the noble Baroness and the whole House that the Department for Work and Pensions is looking at what can be done to support people in it. With regard to a second wave, we will continue to respond in the way that we have done up to now.

**The Lord Speaker (Lord Fowler):** My Lords, I regret that the time allowed for this Question has elapsed. I sincerely thank noble Lords and Ministers today. That concludes the Virtual Proceedings on Oral Questions. The Virtual Proceedings will resume at a convenient point after 12.45 pm for the Motion in the name of the noble Lord, Lord Dobbs, but for the time being proceedings are adjourned.

11.46 am

*Virtual Proceeding suspended.*

## Arrangement of Business

### *Announcement*

12.55 pm

*The announcement was made in a Virtual Proceeding via video call.*

**The Senior Deputy Speaker (Lord McFall of Alcluith):** My Lords, Virtual Proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege and what we say is available to the public both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute and the broadcasting team will unmute their microphones shortly before we reach

[LORD McFALL OF ALCLUITH]  
their place in the speakers' list. When Members have finished speaking, their microphone will again be set to mute.

The Virtual Proceedings on the Motion in the name of the noble Lord, Lord Dobbs, will now commence. This is a time-limited debate. The time limit is three hours.

## **Covid-19: Businesses and the Private Sector** *Motion to Consider*

12.56 pm

*Moved by Lord Dobbs*

That the Virtual Proceedings do consider the contribution made by businesses and the wider private sector in addressing the COVID-19 pandemic.

*The Motion was considered in a Virtual Proceeding via video call.*

**Lord Dobbs (Con):** My Lords, I am so sorry for the short delay, which has possibly been my fault with the technology. I am truly grateful to my Whips for this opportunity. I also thank the many noble Lords who have indicated that they want to contribute today. Even those who have made it through the virtual culling process have only two minutes, which is pretty thin gruel, and I am sorry, but this is a discussion that we will need to continue.

We are here to discuss the private sector, but I start by thanking all those who have done and are doing so much in the public sector: our extraordinary doctors, nurses, porters, receptionists, ambulance drivers—everyone in the National Health Service. I also thank the local authority workers, the civil servants, the members of the Armed Forces and police forces, not forgetting our charities and the millions of volunteers who do so much to bring our community together. At 8 o'clock tonight I will be applauding them all.

How often have we heard the cry, "I can't wait to get back to normal"? We have even thought it ourselves, but we will not be going back to whatever normal might have been. We will have to move forward to meet what will be a changed world, with its own very different challenges. It is the private sector—not just big business, but the medium and smaller enterprises, start-ups and self-employed—that holds the answers to meeting those challenges.

What has the private sector done so far? What Britain has needed, it has delivered. A couple of months ago we found ourselves confronted by one of the most acute situations of modern times: literally a matter of life, death and days. The private sector rose to the challenge magnificently. We were desperate for more intensive care beds, so we built Nightingale hospitals. Yes, under the supervision of the Army and the NHS, but who actually built them from nothing in record time? It was contractors such as Mace, BDP, Vinci and McAlpine. Meanwhile, the private health sector provided 8,000 beds and more than 10,000 nurses

to help the NHS take the strain. Who can forget the care homes, whose workers have toiled tirelessly through so many difficulties?

We needed face visors, so step forward the Royal Mint, Bollé Safety and Jaguar Land Rover, many of which manufactured visors in days, from a standing start. Protective gowns have come from Mulberry, Burberry, Barbour, Imperial Polythene and literally hundreds of others. The fightback has been tremendous, with well over 1 billion PPE items already delivered to the front line. I thank every worker involved.

But I am not finished. We need millions of test kits; where will we get them? From Roche, AstraZeneca and GSK. It is the same story with ventilators: Babcock, BAE, Honeywell, Rolls-Royce, Mercedes and even McLaren Formula 1. It is a long and extraordinarily diverse list of names, and I make no apologies for continuing with this roll call of honour. Brewers have turned out millions of bottles of sanitisers, and so have cosmetics manufacturers. Chivas and Budweiser have been standing alongside Estée Lauder and L'Oréal, not forgetting Diageo and PZ Cussons. Private enterprise has shown itself to be extraordinarily adaptive. I read on the BBC that one quick-witted manufacturer has turned his 3D-printing operation, which usually makes sex toys, to producing ear protectors for the NHS. This is not quite swords into ploughshares, perhaps, but it seems there is no end to the entrepreneurial imagination.

Beyond this, we have needed to keep food suppliers open, even as we have shopped at a social distance. Who changed overnight to meet the need? Yes, the retailers: the supermarkets, the takeaway outlets, the village shops in the countryside and the corner shops in the towns. We have even managed to meet the deranged demand for loo rolls. My village shop in Wylie has kept itself open and is doing home deliveries of food, prescriptions, news and, perhaps most important of all, comfort to the elderly, looking out for them. They have kept Wylie running, just as the power generators, petrol stations, transport firms, heavy-duty truckers and white-van drivers have kept the entire country running.

Who will provide the vaccine, as and when it is developed? Yes, the private sector, in collaboration of course with our finest universities, like Oxford, Cambridge and Imperial. Ask yourselves: who provides the backing and the financial resources for so many of these university research facilities? There is a simple answer: the private sector. The list of business that have adapted to provide Covid-related services is almost endless. Some have tens of thousands of employees, some less than 10. There is an excellent tally on the Manufacturer website that is so long that it will take an hour to read, and I hope will take noble Lords just as long to applaud.

Before the cynics start claiming that they only do it for the money, let them go and talk to some of those involved. This is what one business leader, whose company has been working on beating Covid, told me: "It was like nothing I have seen before. Our employees worked tirelessly for weeks on end, until late at night, and not seeing their families even over the long Easter weekend. They used their ingenuity and were motivated by the need to save lives." And that particular firm did not ask to be paid for its efforts.

We have been faced with circumstances that no one alive today has ever seen before. It is a challenge of historic proportions. But no one has run out of fuel, no one has run out of ventilators, no one has run out of food, and neither must we run out of hope, initiative and enterprise.

Yet there is a price to be paid for beating Covid. More than 2 million people are now out of jobs. School and university leavers will find it far more difficult to move on with their lives with a quarter of all graduate jobs gone. A new generation is about to discover the pain of mass unemployment, through no fault of its own. There will be a heart-breaking rise in insolvencies and bankruptcies. Many firms will go bust, which is why the Government are right to bring forward a new insolvency Bill to help companies in trouble. There are hard times ahead for us all.

Yet there are some who seem almost to welcome the downturn, using it for their own narrow ideological purposes. “More control, more regulation; we must put welfare before wealth,” they cry. Rarely has more nonsense been encapsulated in a single phrase. Without wealth, and particularly without new wealth—which we are going to have to create—there will be no welfare. We cannot share what we have not got.

We are going to face entirely understandable demands for increases in spending on health, our growing number of elderly people, cleaner and greener industry, education and training. Yet, far from their hoped-for increases, these sectors and many others face budget cuts that will turn their dreams to nightmares, unless we can get Britain back to work.

Last weekend, the *Sunday Times* published its new “Rich List”. I know the very thought is enough to send timorous wee beasties into spirals of outrage, but who stood at number one? Sir James Dyson, that extraordinary, inspiring and very British engineer and innovator. His success does not make him perfect; he admits to mistakes. He blew half a billion pounds on developing an electric car: a great idea, but not to be. How did he respond to failure? Overnight, he retooled his facilities and began developing a new kind of ventilator for the NHS. That did not work out either: the NHS has more ventilators than it is able to use. Now, he has switched the workforce and facilities he used to develop the electric car concept into totally new research. “Ours is a life of risk and failure,” he says. “We try things and they fail. Life isn’t easy.” Well, he can say that again. But life is not about getting everything right; it is about getting enough right to make a difference.

Covid-19 must be fought on many fronts and in many ways. It is not just about a disease but about an economic recession that will bring with it mental illness, poverty, pessimism—afflictions that are already causing an increase in the number of non-Covid deaths. In the coming months, we will be hit by a tidal wave of appeals to support this sector or that interest, all of which may be thoroughly worthwhile, even vital. However, we cannot look forward if we are shackled by poverty and failure, and lockdown means poverty. If Britain ends up permanently poorer, the virus will have won. We need to turn the situation into an opportunity to create new wealth.

This will only come through the private sector. It is the private sector where we will find the means to take the revolutionary ideas pouring out of our universities and turn them into world-beating enterprises. It is the private sector where the new vaccines and drugs we need will be developed. It is the private sector where we will find new firms to harness the technologies that will enable us to live greener and cleaner, where the new jobs will be created that will restore hope and where the future prosperity of this country will be built. In the private sector. It is not perfect; I do not pretend that it does not have its faults, but it is the only solution to the challenge that Covid-19 will leave behind.

The Government have done an extraordinary job in providing short-term support, with furloughs, interest-free bounce-back loans and interrupted business-scheme loans, but, as always, our tomorrows will be created by ideas and enterprises that we do not yet know about. So, at every turn, the emphasis must be on supporting new enterprises, as well as bailing out old ones. Workplaces must look up again. Yes, there are risks in doing that, but there are risks on both sides of the equation. There is no place called safety right now.

I am also keen for this House of Lords to get back to our proper way of business. Otherwise, the idea will grow that we are nothing but a gathering of the elderly and infirm. Between us, we have many lifetimes of accumulated experience, so I welcome the commitments we have been given by the usual channels to get us back to full sittings as soon as possible—and perhaps even earlier, please.

One day soon, there will be a day of reckoning and inquiry, of looking back to ask how well we as a country did. Could we have done more to beat the virus? No doubt it will be filled with lurid headlines and partisan opinions that rely entirely on hindsight, but we must not shirk from that. We must go on getting better. We should remember that even Winston Churchill needed a Dunkirk before he reached his D-day. Nothing lasts forever, not even misery and disease. The infection rate is falling, along with the number of deaths, and I remain an optimist. I will stick to a few basic truths: there will be no recovery without risk, no welfare without new wealth, and a vibrant private sector is in the greatest public interest. I beg to move.

1.11 pm

**Lord Blunkett (Lab):** I congratulate the noble Lord, Lord Dobbs, on his initiative in getting this debate. I assure him that I am neither elderly nor infirm. In my two minutes, I wish to emphasise the importance of both private and not-for-profit organisations and businesses, not only in seeing us through these last 10 difficult weeks but for the future.

From care homes to transport operators, from equipment manufacturers to those producing, distributing and delivering food, we have seen the most enormous initiative, of which the noble Lord, Lord Dobbs, has spoken. He mentioned the “golden triangle” universities. I would like to see the initiative shown there replicated across the country. If the Government’s agenda is to be balanced, including in recovery, and if we are to invest in productivity and recovery right across the nation, we will need to see that public-private partnership, research and knowledge transfer, manufacturing and

[LORD BLUNKETT]

innovation all coming together. I hope that the north of England—not just west but east of the Pennines—can replicate that. The noble Lord, Lord Dobbs, mentioned the initiatives that have been shown, including by McLaren. The Advanced Manufacturing Research Centre here in the city of Sheffield will be an exemplar for the future, perhaps by linking the university with those across the Pennines.

Will the Minister place emphasis, along with the sustainability research task force, on that rebalancing of the economy, the initiative and innovation of recovery, and on the entrepreneurship that comes from people working together?

1.13 pm

**Lord Purvis of Tweed (LD):** I thank the noble Lord, Lord Dobbs, for the debate, and I very much share the sentiments of the noble Lord, Lord Blunkett. We know there will be very serious long-term consequences for many sectors in the UK economy beyond this immediate shock. For example, the Chancellor has already indicated that the self-employed will be likely to pay higher taxes and national insurance contributions next year, while businesses in Northern Ireland will have greater trade barriers because they were misled by the Government. Those are just two examples.

On a wider scale, we know from analysis in the *FT* that the UK is being and will be impacted greater than many of our competitors because of the profile of the UK economy on top of the contraction of investment, economic flight, and restrictions on labour mobility that we were already seeing as a consequence of Brexit. Our services-centred economy and the flexibility our businesses have had in a liberalised labour market were both highly integrated into our biggest economic market but from 2021, new barriers are being erected to that market.

Therefore, it is imperative that we have information on the core estimates of what the economic and business impact will be of the proposed trade agreement with the EU. When I asked the Government for this in a debate recently, I received subsequent correspondence from the noble Lord, Lord True, for which I am grateful. However, he said:

“The economic impacts of our trade deal with the EU are the subject of a thriving public debate among analysts. It is impossible for a single model, number or scenario to capture that complexity or represent the varying impacts that will be felt across different parts of the economy.”

It seems to be possible to give a model, number and scenario of the impacts of a hoped-for trade agreement with the US, and a hoped-for Japan agreement, but the Government refuse to do so for what is by far our biggest import and export market. It is not acceptable that we go blind into making serious decisions, impacting on our businesses and private sector for the long term, without the Government releasing core estimates of the economic impact of their proposed agreement with the EU.

1.15 pm

**Baroness Noakes (Con):** My Lords, it is good to have the opportunity to debate Covid-19 in a context wider than health and social care. Sadly, a series of two-minute talking heads on a Zoom screen is very far from being a real debate.

The only economic certainty about Covid-19 is that it is causing massive damage to our economy. The political priority now needs to shift to rebuilding our economy. The Chancellor of the Exchequer has been bold. His job retention scheme and Government-backed loans are delivering on propping up many businesses and jobs for now. However, many will not be viable in the face of debt burdens, higher operating costs and changed demand in a post-Covid-19 world. Businesses and employment will be lost. We will need an economic renaissance with business at its heart. Growth and jobs come from new businesses and new investments in products and markets. I do not doubt that that there will be a role for publicly funded investment in the short term, but the foundation of a successful economy is not a big state; it is a big and effective private sector.

The Government must focus on encouraging small businesses, start-ups and scale-ups. They should listen to organisations representing SMEs and not, for example, the CBI. A holiday for SMEs from all non-essential regulations would be a terrific start. We need to move from risk aversion to sensible risk-taking. Let us have an end to draconian Covid-19 restrictions as soon as possible so that businesses and individuals can return to the normal world of taking responsibility for making informed decisions. Economic recovery cannot begin without that.

1.18 pm

**Lord Bilimoria (CB):** In this crisis, what has worked is not the Government working on their own but collaboration between them and the private sector. The first Nightingale Hospital, which the noble Lord, Lord Dobbs, spoke about—4,000 beds put up in nine days—happened because the Army, the Gurkhas, the NHS, the University of East London and the private sector all worked to put it together. On vaccines, we have seen Oxford, other universities and industry working with the Government and all coming together. Testing was not working when it was just in the hands of PHE; now it is because there is a collaborative effort between laboratories, research institutes, the Cambridge Biomedical Campus and, for example, AstraZeneca and GSK, all working together.

The CBI, where I am a vice-president, has a business heroes campaign, which urges organisations to join a nationwide effort and share examples of best practice. The CBI is helping to co-ordinate the efforts of companies and stepping forward to provide assistance where possible, from providing computers for pupils to PPE for healthcare and care workers. At the University of Birmingham, where I am chancellor, academics from across the business school are working with business intermediaries, such as the CBI, to reskill people for future working needs on working health and well-being.

As business, we are very grateful for all the help the Chancellor and the Government have given us, but the hospitality sector, which my business is in, is suffering greatly. It has basically been shut for two months and will take a long time to recover, especially if social distancing measures are meant to be in place. Through the Government's CBILS loans, launched two months ago, 40,000 businesses have been given just over £7 billion. I have been urging the Government to give 100% guaranteed loans for business, and they listened

and have done that. In just over two weeks, the bounce-back loan scheme is up to £50,000, and 464,393 companies have received £14 billion. This has worked.

With all the challenges ahead in this recession—as spoken about by the noble Lord, Lord Dobbs—I request that the Government raise the limit for the 100% government-guaranteed loan scheme to £500,000, because business will need this support. We, as a nation, are historically renowned for our creativity, business skills and entrepreneurship. That is what will get us through this crisis.

1.20 pm

**Lord Hunt of Kings Heath (Lab):** My Lords, in parallel to the magnificent efforts of the NHS and other parts of the public sector, we have seen a fantastic response from the private sector but, disappointingly, there are examples of where the Government have seemed reluctant to respond to offers of help. I particularly commend those engineering and manufacturing companies that have shifted their production processes to assist in the manufacture of ventilators. Then there are staff in the health devices industry who are clinically trained, who have returned to the NHS at their employer's expense. There are pharmaceutical companies at the forefront of efforts, with universities, to develop vaccines while still securing the essential supply of medicines.

Alongside this, there have been a number of puzzling examples of the failure to embrace the potential of more such partnerships. In March, when the decision was made to withdraw community testing and tracing due to lack of capacity, why were businesses, universities and research institutes not asked to help? Why were dozens of UK companies that responded to the Government's request to switch production to PPE ignored? And why did the Government not embrace the Covid-19 symptom tracker—developed by researchers at King's College London and the health data science company ZOE—which has 3.6 million people contributing information?

Finally, why have the Government insisted on developing their centralised contact tracing app, which is in difficulty at the moment, as opposed to the decentralised model developed by Apple and Google? I fear that this kind of go-it-alone preciousness has been characteristic of the Government's approach to the crisis, with a failure to learn from international experience and delay in taking decisive action. We must see better in the future.

1.22 pm

**Lord Balfe (Con):** My Lords, first, I thank the noble Lord, Lord Dobbs, for initiating this much-needed debate. Secondly, I declare my interest as the father of a small businessman who has a chain of bicycle shops—a very good thing to have at the moment. Many small business people have worked far harder during this closedown than at any time, because they have had to juggle staff—some of whom have wanted to be furloughed, as they have been in vulnerable positions—and a multitude of problems.

When this is over, they will be looking for a level playing field and fair treatment. They have heard what the Chancellor said about higher taxes for small businesses and they are prepared to pay their fair share. But they

also look around and see many large businesses, often not domiciled in the United Kingdom for tax purposes, queuing up and asking for large amounts of money from public funds.

The Government must, with the help of the OECD, the EU and other international bodies, tackle the business of tax avoidance and make sure that everybody pays their fair share into what will be a crippled economy. It is necessary that the Richard Bransons and Philip Greens of this world are also brought to the chequebook when paying their taxes. I ask the Government to commit to getting a fair deal from big businesses, as well as tax from small businesses. If they do that, I am sure that all workers in small businesses will join together in the same common endeavour in which they have been engaged for the last few weeks.

1.24 pm

**Lord Wallace of Saltaire (LD):** My Lords, the noble Lord, Lord Dobbs, said that the private sector is the only solution to get us out of this. I disagree. We are a mixed economy, a society and a national community. We need our society, community and democracy to have the same high quality if we are to recover from all this.

The Government's early mistakes in responding to this endeavour were in turning to large outsourcing companies to provide services in testing, and now in recruiting for tracing and managing PPE, and neglecting our local democracy and local authorities—which have been bypassed time and time again—and the local volunteers wanting to join. I have just contributed to a school in Bradford, which sent out an appeal for a new cutting edge for its 3D printer because, while the school was closed, it has been printing screens for local hospitals. There are all sorts of local initiatives like that going on, and I have heard the frustrations of people at the local level who have applied and offered to help.

The SMEs so strongly supported by the noble Baroness, Lady Noakes, and I, have not been caught up, because this approach has been so top-down. I have also heard from those in universities, particularly biologists, who have wanted to help and turn over their facilities, but take-up has been slow from an overly centralised Government in England.

My strong message here is that we have made mistakes in not engaging local democracy and local enthusiasm, and in not treating people as citizens, as well as consumers and patients. The private sector at the local, as well as the national, level has to be part of that. We are a national community of citizens, as well as consumers, and this is a national emergency that involves us all.

1.26 pm

**Lord Shinkwin (Con):** My Lords, as others have said, the contribution of businesses and the wider private sector will be pivotal to our recovery from Covid-19. While no one can take any pleasure from the economic situation in the EU, it seems increasingly clear that the eurozone is going for broke. We must go for growth. It is the only way to shift the coronavirus debt. Our new Chancellor has more than stepped up to the mark, but it is the taxpayer who will have to step up to the plate until we have driven down the debt.

[LORD SHINKWIN]

That is why we need to unleash the energy of enterprise; we must give business the freedom to innovate, to develop new markets and to grow UK plc.

As someone who owes his life to the NHS, I say we all have a stake in enterprise, wealth creation and growth, for only a competitive, thriving Great Britain offers the security on which our welfare state and the public sector depend. So it is even more important that the Government defend the national interest in our negotiations with the EU, the US, Canada and other trading partners. David Frost's letter to Michel Barnier signals to the EU, its 27 member states and the world that we are serious in our commitment to trade competitively and to maximum mutual benefit. His commendable clarity is essential if we are to deserve to be taken seriously when Liz Truss, in the other place, says:

"Britain is open for business."

She deserves our support.

1.29 pm

**Baroness Jones of Moulsecoomb (GP):** I congratulate the noble Lord, Lord Dobbs, on securing this very timely debate. I agree that we have to go forward and cannot go back, but I suspect we mean different things by that. Many people will expect and want the economy to be restored, more or less, to the way it was in December 2019, but why on earth would we want to do that? It was marred by gross and growing inequality. In a headlong rush towards destructive growth, our economy has been dangerously off the rails for decades. It needs some restructuring, and we now have the chance to do that.

Some, perhaps many, industries and companies will not survive without government intervention and public money, and this gives us all the right and the opportunity to choose how the economy can be different in 2021. The Government can work closely with industries to ensure that they shift their production towards a more sustainable future and to what is needed in the short run.

I would love to outline what a fair, healthy, sustainable economy looks like at some point, but until then, I have three specific questions for the Minister. Will the Government heed the calls from smaller farmers and food businesses for emergency business support, as well as long-term backing, including new funding for local food networks? In addition, will Her Majesty's Government widen the school food voucher scheme in England to include local shops, along with markets and community food organisations? Finally, will the Minister accept that if the centralised scheme does not work for small businesses and food producers, schools and local authorities should have the powers and the funds to do what they think is best for the local economy in their area?

1.31 pm

**Lord Caine (Con):** My Lords, I thank my noble friend Lord Dobbs for securing this debate—I hesitate to use that word—and congratulate him on his speech. I echo many of his sentiments, including those about getting this House back to work.

The private sector is the engine room of a thriving, prosperous and free economy, and throughout the pandemic it has undoubtedly stepped up to the mark. Noble Lords have referred to many examples of the private sector helping in the national effort against the virus. I wish to refer to one sector: food.

Despite a few bumps with panic buying early on, the UK's food and farming sectors have done an outstanding job in ensuring continuity of supply, choice and quality. That includes producers, retailers, large supermarkets, and all those down to small butchers—including my own here in Leeds—and grocery stores. Capitalism has kept our nation fed.

As many noble Lords have pointed out, looking ahead, it will be the private sector that leads our economy out of its Covid-induced recession and back to growth. Those who believe that the crisis has made the case for greater state control and intervention could not be more wrong. This country needs more capitalism, not less.

However, in backing private enterprise to help get our country back on its feet, I have one plea. Given the state of the public finances, it would be tempting for any Chancellor of the Exchequer quickly to impose higher taxes and burdensome regulations. I suggest that that risks strangling any recovery at birth and sending many more small businesses to the wall; a lesson that, alas, seems to be lost on that fledgling student politician, the Mayor of London. We need to get out of lockdown, get the UK back to work—including this House—and give business the freedom to thrive.

1.33 pm

**Lord Liddle (Lab):** My Lords, I share with the noble Lord, Lord Dobbs, a belief that the country needs a vibrant private sector of both big companies and SMEs. However, the crisis requires us to rethink its moral purpose and relationship to the state. I associate myself with what the noble Lord, Lord Balfé, said on the first point.

Shareholder value had already been knocked off its ideological pedestal before the crisis, but what we now see are the green shoots of a new era of public-private partnership that we should support. On Covid vaccines, the Government are sponsoring research and innovation, but also trying to ensure that we manufacture the stuff in Britain. The Government should take a comprehensive look at nurturing domestic and pan-European supply chains for goods, from basic PPE to highly advanced telecoms equipment. There are pressing security concerns that have to be addressed—I do not want a new Cold War with China—but we have to be less naive and more robust.

Covid is creating the greatest economic crisis since World War II. The Government are offering generous loans to keep companies afloat, but many of these will not be repaid. The solution is to convert these loans into public equity. We must turn the British Business Bank into a German-style KfW and work out how this new relationship will work.

Finally, the Government are opening their doors again to the trade unions. Employers are seeing the positive role that workplace representatives can play in ensuring health and safety. We need to match a new era of public-private partnership with a new era of social partnership.

1.35 pm

**Baroness Northover (LD):** My Lords, I also thank the noble Lord, Lord Dobbs. I will focus here on the UK pharmaceutical sector. We have the fifth and sixth-largest global pharmaceutical companies in the UK—GSK and AstraZeneca—with other international companies also operating here. We have long been regarded as strong in this field, closely allied to strengths in our universities. However, we employ fewer people in the sector than is the case in France and Germany, which employ almost double the number of people that we do.

As a DfID Minister during the Ebola crisis, I was immensely impressed by the work of Oxford University's Jenner Institute. I am delighted that both Oxford and Imperial are currently among world leaders in vaccine research. AstraZeneca has partnered with the Jenner Institute for large-scale manufacture and distribution.

I note that the United Kingdom would get early access to the Jenner vaccine, if successful in clinical trials, but also that the vaccine would be destined for low and middle-income countries. That is vital. Could the Minister explain how this will work? Is industry engaging on the potential Imperial vaccine?

AstraZeneca and GSK have set up a testing lab at Cambridge University. They are helping the national testing centres, particularly in automation and robotics. AstraZeneca is part of the R&D platform to fast-track research into potential treatments, and both companies are working on antibody developments. All of this is very encouraging, for now and the future.

I therefore ask the Minister: what assessment has been made of the impact on the UK pharmaceutical sector and our leading research institutes of leaving the EU with no deal at the end of this year?

1.37 pm

**Lord Hunt of Wirral (Con):** My Lords, in declaring my interests as set out in the register, I am delighted that my noble friend Lord Dobbs has initiated this debate to ensure that everyone who has played their part is appropriately acknowledged and celebrated.

In these dark and challenging times, there are, mercifully, so many positives. Supply chains have held up remarkably well, even during the toughest period of the lockdown. All those involved, including those on supermarket tills and helplines for home wi-fi, call-out engineers, delivery drivers and emergency plumbers, have made their own vital contribution to our national resilience. It has been, and continues to be, a truly inspiring effort.

However, I hope that we all do whatever we can to help and support those sectors that have had little or no ability to carry on during the period of lockdown and social distancing. I think of course of hotels, tourism, restaurants, pubs and cafés, and, in particular, theatres.

In my last speech in the House—really in the House—I referred to the press night I had just attended for the new cast of the marvellous West End show, “Come From Away”. It is an inspiring tale of how, at a time of crisis, human beings adapt and co-operate and the boundaries between private and public, and stranger and stranger, suddenly no longer mean so much. Every time we go online, turn on a light, go into

a shop, or receive a delivery of provisions during this dark and unnerving time, we should be grateful for the innovation, doggedness and resilience of millions of our fellow citizens in the private sector, such as my noble friend Lord Dobbs. They deserve our undying thanks.

1.39 pm

**Lord Moynihan (Con):** My Lords, I refer to my declaration of interests in the register. Companies in the UK offshore oil and gas industry contribute around 50% of our gas, which is used for a large proportion of our electricity production. They also produce a major proportion of the oil that fuels our cars and which is used in the manufacture of a wide range of items that we use in our care homes and the NHS, from contact lenses and toothbrushes to medical equipment, and the heating that supports the vast majority of our homes.

These companies were referred to by my noble friend Lord Dobbs, and many in the service and supply sector that support them also back the UK drive to net-zero emissions. They are fully committed to and are embracing the 2050 targets, while working on the technology to help us achieve the Government's objectives to lead the world. Oil and Gas UK chief executive Deirdre Michie recently said that the

“UK's offshore oil and gas industry is not shying away from the climate conversation but embracing it.”

Many in this sector have faced particular hardship during this epidemic, in this new world of working with Covid-19 restrictions. Oil and Gas UK has confirmed it is to seek an exemption for offshore workers to the proposed 14-day quarantine on flight arrivals to the UK. This is an industry I know well, having implemented the Cullen recommendations as Minister for Energy after the horrific Piper Alpha disaster. The safety of its people remains the primary focus, with extensive measures in place to protect and manage their welfare. I hope that the Minister will respond positively to the request to seek an exemption to the proposed quarantine restrictions to minimise any further impact on businesses and jobs in this essential private sector industry, which is already severely impacted by Covid-19, redundancies, furloughing and the low global oil and gas price environment.

1.41 pm

**Baroness Kennedy of Cradley (Lab):** My Lords, I too thank the noble Lord, Lord Dobbs, for this debate. The incredible effort of businesses large and small needs to be recognised. There is no doubt that there are many heroes in the private sector who are to be thanked for their role in this crisis, such as those joining the national effort to deliver PPE, from our great engineering and manufacturing companies that have switched their production lines, to a pub in Cumbria which has become a makeshift PPE factory, and wedding dress makers now producing aprons and masks.

In the retail food sector, workers have put their lives at risk to keep us fed. Sadly, a recent survey by the trade union USDAW has shown that shop worker abuse has increased during the Covid outbreak. I commend USDAW for its continued campaigning on this issue. Can the Minister give an update on the government consultation into shop worker abuse?

[BARONESS KENNEDY OF CRADLEY]

By working together, the supermarkets have kept food on our shelves. They have listened to customers and helped to get food to vulnerable people. The Co-op, for example, has donated over £1 million of food to FareShare to feed those at risk of hunger. But the Government have over-relied on this sector to deliver food to the vulnerable through online deliveries and were slow to realise that this was not the complete solution. Is the Minister confident that his department is doing all it can to ensure that the food supply needs of high-risk groups are being met? Will the business learning from this crisis on food supply and demand be fed into the national food strategy?

In closing, I echo the words of the noble Lord, Lord Dobbs, and recognise the role of our local corner shops. They have been a lifeline to many, especially those who feel safer shopping in smaller, less crowded spaces. Despite financial pressures, they have, for example, given products away to NHS staff and pensioners, arranged free deliveries and set up shops in hospital car parks. Corner shops have done a phenomenal job, so what action are the Government taking to ensure that these small businesses survive and take full advantage of the help available to them?

1.44 pm

**Lord Addington (LD):** My Lords, in listening to this debate, I find that two things occur to me. One is that the mixed economy really does not have any opponents here; the only thing we are arguing about is the level of the mix. The private sector holds some of the answers, but certainly not all. Remembering that the Government set the terms of market—that is, trading—and what is possible and desirable, we must never take our eye off the interaction. That brings me to the question that I want to talk about: what will happen in the new job market to those with disabilities?

There has been a huge drive to get everybody who has a disability into work. I refer the House to my registered interests, both paid and in the voluntary sector. How will we help? I have seen, in over 30 years as a Member of this House, the peaks when everybody was to be employed and we were short of labour, and the economic downturns when suddenly this group is squeezed. A group that needs adjustment, even if it is comparatively easily done, will always be slightly less attractive to employers than those who do not. Those who have problems that develop at work will always be that much more vulnerable or feel that they should not ask for the help that they are entitled to when the job market suddenly becomes tighter. Can the Government give some assurance that all employers will be reminded of their legal duties and moral responsibilities to these groups? Normally, they are workers who stay in their jobs, do not change and, indeed, perhaps oddly, do not take sick leave. Can the Government assure us that they will maintain this level of support in the future?

1.46 pm

**Baroness Redfern (Con):** My Lords, I thank the noble Lord, Lord Dobbs, for initiating this debate, reflecting on how businesses and the private sector are collaborating to address this Covid pandemic, which is cutting across people's lives and livelihoods, and—we

hope—to formulate a pathway for businesses not only to survive but to thrive post Covid and get ready for the Brexit D-day. I welcome the continued Treasury support to help businesses large and small, financing them through furlough arrangements, grants or rate relief. Unfortunately, even with all that, not all businesses will survive this pandemic.

Even with such uncertainty, innovative organisations have not stopped taking action right away and offering their services. Companies have adapted quickly to change and redesigned their products or services, or even created new ones, to respond to demand. Textile factories have switched production from curtains and duvets to hand sanitisers, and clothing companies that produced wax jackets now make disposable clinical gowns and medical scrubs.

Post Covid, and post Brexit, it is essential that the Government support companies large and small and encourage them to help scale up, particularly in the engineering, agricultural, chemical and research sectors, thereby increasing their future contribution to UK supply chains, rather than us always looking globally. In the terms of a procurement exercise, let us see what the UK can do first. Tomorrow will present a vastly different landscape. Therefore, if we are to look closer to home with our supply chains, businesses in many areas—

**The Deputy Speaker (Baroness Pitkeathley) (Lab):** Oh, we seem to have lost the noble Baroness, Lady Redfern, so we will go on to the noble Baroness, Lady Uddin.

1.48 pm

**Baroness Uddin (Non-Aff):** My Lords, we have heard about the extraordinary impact of the private sector contribution from the noble Lord, Lord Dobbs, and other noble Lords. I wish to highlight the work of the British curry industry which, as a collective of 11,000 restaurants with 80,000 staff—[Inaudible.] Any recession or job losses elsewhere is likely to have profound effect on this business, which is interconnected and interdependent. Many noble Lords will be aware of the pioneering entrepreneurs and leaders among the 5,000-strong members of the Bangladesh Caterers Association—[Inaudible.] This lockdown has been devastating on their profession. Further job losses—[Inaudible.] It has impacted hundreds of thousands of families for whom this has been their livelihood for generations.

Post lockdown, with the economic decline, many of these businesses are likely to face catastrophic meltdown. The UK's forthcoming immigration point-based system will further exacerbate the pressure—[Inaudible.]—staff from overseas, though not Europe. I look forward to the Home Secretary fulfilling her promises made during the Brexit campaign to support this industry and to recruit skilled chefs from abroad.

Despite all these factors, the majority of restaurants, if not all, throughout the four nations have responded to this emergency in earnest by donating ready-made meals to hundreds of thousands of vulnerable families—particularly during the month of Ramadan—and of course to every hospital in their locality as well as to care staff. I am proud of their formidable endeavours, reaching out to make a difference and disregarding—[Inaudible.] They are indeed the pride of Britain.

I invite the Minister to commend the work of the Bangladesh Caterers Association and agree that government measures for the curry industry are equally as essential—[*Inaudible.*]

**Baroness Bloomfield of Hinton Waldrist (Con):** I remind the noble Baroness of the speaking limit.

**Baroness Uddin:** I have finished.

**The Deputy Speaker:** My Lords, I apologise for some of the difficulties we had with sound there. I call the noble Lord, Lord Desai.

1.50 pm

**Lord Desai (Lab):** My Lords, there is a public sector and a private sector, but there is also a social sector. We must not forget that the social sector is also part of private society. I have been very impressed by how many neighbourhood associations have sprung up to make lockdown tolerable for a lot of people. They have delivered things to neighbours, supplying food and any help. We ought to acknowledge our gratitude to our extensive network of voluntary neighbourhood associations which work towards general welfare and which have sustained us in the lockdown.

I also want to point out the role of charities, which have existed for a long time and risen to the occasion quite splendidly to fill the gap which the state has left in its provision for Covid patients. In particular, the newspapers have stepped in and organised special charities and fundraising for supplies and equipment. [*Inaudible.*] We ought to appreciate all that voluntary work.

I have a suggestion. Someone proposed earlier in the debate that the loans the Government have given to a lot of companies should be returned not in the form of money but in equity in those companies. That is a very fine suggestion. The Chancellor and Government should take advantage of it and set up a sovereign wealth fund from the equities returned by companies. Indeed, they should say that all loans should be returned in the form of equity and create a sovereign wealth fund.

1.52 pm

**Baroness Buscombe (Con):** I join others in thanking my noble friend Lord Dobbs for this opportunity to celebrate the many who have worked through the lockdown to deliver vital goods and services across the country. Small businesses have applied amazing ingenuity to work at pace in a relatively safe environment, and others have risked their lives, entirely unsung, such as my friend Ralph who works nights cleaning Chiltern trains and making it safe to travel. Ralph asks: who cleans the trains for the cleaners?

Food shops and hardware stores are thriving, as well as online shopping, with people preferring to avoid supermarkets and stay at home. But my heart goes out to their neighbours on the high street who cannot yet reopen. Some will not be able to afford to reopen after years of developing their businesses, delivering a service and paying their taxes.

We must be proportionate and reduce the distance rule in line with the WHO advice to one metre and reopen our schools to free up the workforce to stem the tide of what is frankly, with respect, cultural and economic suicide. Over 13% of working-age households in the UK were entirely workless before Covid. I stress as a former DWP Minister that we cannot afford this disproportionate approach to the risks. Otherwise, unless we are prepared to radically reform our generous welfare system, the private sector and the taxpayer cannot afford to support the fallout from this crisis.

On a brighter note, let us celebrate those exceptional minds developing a vaccine at the Oxford Jenner Institute, aptly named after Edward Jenner, who developed the first vaccine for smallpox in the 18th century. In praise of British innovation and business, could its deal with AstraZeneca, which said this morning that it has the capacity to manufacture 1 billion doses of the vaccine, be a launchpad for rebuilding our manufacturing base post Covid? For the sake of our young people's future, I very much hope so.

1.54 pm

**Lord Razzall (LD):** My Lords, I obviously agree with everything the noble Lord, Lord Dobbs, has said in praise of the private sector. It is now a statement of the obvious that the private sector has been debilitated by the Covid pandemic. Claims for unemployment rose by 69% between March and April, the largest month-on-month increase since records began. The private sector has borne the brunt of economic collapse. What does it face when we return to the so-called new normal?

The Chancellor warned us on Tuesday of a recession like no other that we have seen before. He also warned the House of Lords Economic Affairs Committee that it was not obvious that there would be an immediate economic bounce-back. In practical terms, this means that key sectors of our industry will have difficulty recovering. The hospitality and entertainment sectors represent a key part of our economy, but how will our restaurants, pubs, theatres and cinemas remain economically viable if they have to enforce social distancing? Good luck to the taskforce announced yesterday to tackle these issues.

In economic terms, the numbers will be dire. The Bank of England predicts 2 million job losses this year, taking unemployment dramatically higher, most of all from the private sector. This is on top of the 7.5 million people on the furlough scheme, many of whom may not keep their jobs when the scheme ends. Clearly, we cannot go back to the world before the virus, so surely this is an opportunity to restructure the way the private sector operates. It is obvious that many companies are overloaded with debt. Inevitably, some of the debt will have to be converted into shares. Is this not an opportunity for increasing worker participation and share ownership, a long-held aspiration of the Liberal Democrats?

Talking of the Liberal Democrats, noble Lords will expect me to touch on Brexit. Until we know how the UK can trade back to solvency outside the European Union, surely it is time to extend our transition period and trade talks until the economy has stabilised.

1.57 pm

**Lord Lang of Monkton (Con):** My Lords, I declare my interests as per the Lords register. I welcome and congratulate my noble friend Lord Dobbs on securing and so effectively introducing this debate. There are certainly vital lessons to be learned from the pandemic about relations between business and government. I wholly endorse tributes paid to the medical and surgical skills of those at the sharp end of saving lives and curing victims, but within the Department of Health and the NHS, among the maze of administrative sectors and subsidiaries, there sometimes seems to be another world that speaks a different language.

The language of business embraces drive, expertise, capability and agility. By contrast, the ponderous language of government bureaucracy sometimes conjures thoughts of delay, control, check and recheck, distrust and aversion to risk. Everything seems to take so long. We hear of telephone calls, emails and letters going unanswered at a time when clothing manufacturers were, voluntarily and unasked, switching their profitable production lines to the manufacture of PPE, and the distillers of whisky and gin to sanitisers. One wonders why precious civil servants are used in, for example, the procurement and distribution of PPE. These tasks are second nature to the private sector, to which speed and accuracy are watchwords.

I am not making a general criticism of the Civil Service. I know from past experience that there are very many brilliant and dedicated civil servants. As a nation, we are deeply fortunate. But some things are surely best done by others. I welcome the progress that is now emerging, but there must be change in the future. The innate suspicion that parts of the Civil Service seem to harbour against the private sector must be overcome. Efficiency, inventiveness and adaptability are what we need and what it offers. Its concern is not ownership or control of chunks of government departments. In times of crisis it wants to help, to be consulted and to work in partnership. Going forward, there needs to be a rebooting of the relationship between the business world and government. Covid-19 has revealed that need. It is time for the private sector to be the first port of call instead of the last resort. That needs a change of culture which I hope the Government will initiate.

**The Deputy Speaker:** My Lords, after I call the next speaker, the Chair will be taken by the noble Baroness, Lady Garden of Frogna.

1.59 pm

**Lord Gadhia (Non-Aff):** My Lords, Milton Friedman's dictum that the business of business is business was always an exaggerated and oversimplified representation of the role of private enterprise in society. Today's debate has highlighted how the vast majority of businesses take their wider responsibilities seriously and are playing a crucial role in our effort to combat the current pandemic. This forms part of a much broader secular trend, from shareholder supremacy to stakeholder primacy. From the pioneering work of the Quakers in Bournville or Port Sunlight in the late 19th century to the aerospace and munitions manufacturers in World War Two, and through to the modern manifestation of

stakeholder capitalism enshrined in Section 172 of the Companies Act 2006, this shift is increasingly being reinforced by the attitude of institutional investors and their use of ESG metrics to evaluate sustainable corporate performance. Indeed, Covid has been a live test of business resilience and agility. The mass implementation of homeworking and the reconfiguration of supply chains and business models to accommodate physical distancing has been a remarkable feat. Covid is accelerating trends and bringing the future closer.

It is clear that businesses will not return to the status quo ante, but the road ahead remains uncertain as we learn to live with the virus. Soon, our health anxieties may be overtaken by concerns for the economy and our livelihoods. Once again, businesses will play a pivotal role in this next phase. While the near-term priorities will be incorporating health and safety protocols into the workplace and any customer interactions, we should also seize the opportunity to address the fundamentals that are holding back our economic performance and productivity.

If there is a silver lining to this human tragedy, it will come from building back better. To borrow from a sentiment expressed previously by the most reverend Primate the Archbishop of Canterbury, we can recast Milton Friedman's dictum to demonstrate that the business of business is human flourishing.

2.01 pm

**Baroness Shields (Con):** My Lords, today I would like to talk about how artificial intelligence has made its mark as a powerful technology in the fight against Covid-19. Before I begin, I declare my interest as CEO of the British technology and drug discovery company, BenevolentAI.

Following China's publication on 12 January of the genetic sequence of the virus, the race was on to identify existing drugs that can be used to treat Covid-19 infections until a vaccine becomes available. The focus has been on already-approved drugs that could have the prophylactic effect of reducing the severity of the infection, or that could inhibit the virus and the body's hyper-inflammatory response to it. In an epidemic, speed is of the essence. Artificial intelligence and machine-learning models excel at handling data in fast-changing circumstances. Computing power and algorithms work as tireless and unbiased super-researchers, analysing chemical, biological and medical data to identify potential drug leads much faster than humans can do alone.

In late January, BenevolentAI launched a scientific inquiry using artificial intelligence to identify approved drugs that could potentially inhibit the viral progression of Covid-19 and which could be given to patients immediately. The group's biomedical knowledge graph surfaced a number of potential drugs and identified Baricitinib as an approved drug for rheumatoid arthritis that could be a potential treatment. At the start of February, these research findings were published in the *Lancet* and following that in the *Lancet's* list of infectious diseases. By mid-March, small groups of Italian physicians who were battling the virus on the front line became aware of the hypothesis and began testing Baricitinib on patients. These investigator-led trials yielded successful outcomes. Eli Lilly, which

owns the drug Baricitinib, subsequently validated BenevolentAI's research hypotheses in vitro and by 10 April had entered into an agreement with the US National Institute of Allergy and Infectious Diseases to test the drug in clinical trials. The incredible speed with which these hypotheses have moved from computer to lab-bench to the bedsides of patients demonstrates the far-reaching potential of AI models and algorithms to identify existing drugs and new drugs to treat disease.

In a connected world in which pathogens spread at unprecedented speed, advanced technologies like AI and machine learning can be the weapons to fight back. While AI has proved its worth in the battle against Covid-19, ultimately it is the fusion of machine intelligence and the triumph of human ingenuity that will bring our society through this crisis.

2.04 pm

**Lord Henty (Lab):** My Lords, I thank the noble Lord, Lord Dobbs, for tabling this debate. It provides an opportunity for the Government, through the noble Lord the Minister, to show their appreciation not just to private companies but to their workers and those in the public sector. Some 33 million of them form the tsunami of unemployment which is following the medical crisis. These are the people who provide the goods and services on which we all rely; who actually produce the wealth of this country; who have been keeping the country going, many of them risking their health to do so.

Perhaps the Minister will follow my noble friend Lord Liddle in crediting the 100,000 trade union workplace safety representatives who are working tirelessly to try to minimise the risk. Their unions have been working flat out to support the millions who are facing loss of income, loss of jobs, loss of health and, tragically, death. The Government were right to listen to the TUC's proposal for a job retention scheme and they ought now to heed its call for a tripartite national recovery council that would give a role to private companies, public employers, government and workforce representatives. This is surely the way to solve the massive problems, particularly unemployment, which have been thrown up by this crisis, and to plan a new and better future based on dialogue.

2.06 pm

**Baroness Falkner of Margravine (Non-Aff):** My Lords, we recognise that the health of the private sector will be the key to reducing unemployment, which is projected to peak at around 9%. I want to speak about the impact on the young, in particular those who do not seek the university route to build up their qualifications, but instead look to workplace training such as apprenticeships as the route to employability. We know that Covid-19 has already had a great impact on apprenticeship schemes around the country. According to reports, Covid has forced around 60% of employers to suspend on-the-job learning, to make recruits redundant or, less alarmingly, to furlough them. Apprenticeship schemes at 40% of companies have been suspended due to the lockdown, while in a survey of their current plans, over 30% of employers said that they would either hire fewer apprentices or none at all. This has been exacerbated by the fact that private apprenticeship

training providers are going out of business or have already done so, and are therefore unable to provide the training.

It appears that the problem lies with the Department for Education, which is refusing to comply with Cabinet Office guidelines and to continue paying private apprenticeship providers during the lockdown. This matters, as 70% of apprenticeships in England are run by private companies. The inconsistency of the Department for Education is evident, in that it is providing support to FE colleges, as it should, but cannot see the logic of treating apprenticeship training providers in the same way.

For many young people from the most disadvantaged backgrounds, an apprenticeship is one of the few routes into longer-term, sustainable employment, particularly in the technologically advanced sectors. We also know that the disproportionate impact of youth unemployment will hit already disadvantaged northern towns, so it is perverse that, while the Government wish to level up the economy in those areas, departmental silos are preventing that. Will the Minister please ask the Department for Education to redress this anomaly before greater damage is done? Importantly, will he indicate to providers that the problem will be addressed, so that those who are making decisions today know the Government's intentions before they take irreversible decisions?

2.08 pm

**Lord Howard of Rising (Con):** My Lords, I too would like to congratulate my noble friend Lord Dobbs on introducing this Motion. It is timely that the contribution made by the private sector is being recognised. The contribution of businesses such as supermarkets and many others to keeping the nation functioning during the lockdown has been superb. They have adapted to the many and varied problems that have arisen—not only the commercial ones, but to enable compliance with government guidelines.

It is a pity that the health authorities have not been more willing to make better use of the considerable talent pool within the private sector, and I declare an interest as a shareholder in pharmaceutical companies. I hear almost weekly about organisations that get no response from health authorities. I realise that at a time like this, health authorities get many offers of assistance, which all need to be evaluated, but what I am hearing indicates a very strong reluctance to make use of the private sector. This would be easier to understand if there was not the continuing example of what the private sector can do, given its magnificent response to Covid-19. I therefore urge health authorities not to be quite so blinkered in their approach to what the private sector could do in respect of this disease.

2.10 pm

**Lord Campbell of Pittenweem (LD):** My Lords, we shall not succeed unless we have the most effective partnership that we can between public and private, any more than we will not succeed if we do not accept the advice of the noble Lord, Lord Heseltine, expressed last night in an interview on Channel 4, that it is essential to utilise local initiative, knowledge and experience.

[LORD CAMPBELL OF PITTENWEEM]

What I want to know is what forward thinking is taking place in the Government. There was a lot of wartime language at one stage, in the early days of our understanding of this virus. It is worth remembering that the Butler education reforms were conceived in the course of the Second World War, as indeed were the Beveridge proposals for social security. We certainly need equivalent foresight now.

There are two particular responsibilities which seem to me necessary for the Government. The first is education—to some extent I am echoing some of the sentiments just offered by the noble Baroness, Lady Falkner of Margravine. Once and for all we should put vocational education upon a par with higher education.

It is also necessary for the Government to embark on a serious programme of retraining. Those Rolls-Royce employees who are going to lose their jobs have a skills base that would easily allow them to be retrained for other similarly skilled opportunities. How shall we pay for this? I do not believe that the wholesale raising of taxes makes sense, as it will depress both demand and initiative; nor is cutting public expenditure possible. There can be no return to austerity; indeed, we may need to increase public expenditure.

The solution is obvious. Interest rates have never been more favourable. The Government should—

**The Deputy Speaker (Baroness Garden of Frognal)**

**(LD):** We seem to have lost Lord Campbell. I will move on to Lady McIntosh of Pickering.

2.12 pm

**Baroness McIntosh of Pickering (Con):** My Lords, I declare my interests in the register. I congratulate my noble friend on securing this debate and herald a true partnership between the public and private sectors. I join other noble Lords in giving fulsome thanks to doctors, nurses, carers, all the emergency services, and all involved in delivering front-line patient care. I also give fulsome thanks and pay tribute to all the farmers and landowners who have worked all hours, and in all weathers, to put food on our plates.

I shall tell just one little story and recognise the contribution of a local firm based in Easingwold. Industrial Textiles & Plastics makes impermeable plastic materials to a high specification. These have been used in the past to protect against chemical warfare. Independently of government, they have joined forces with Barbour and Burberry to manufacture personal protective equipment, free of charge, which is being distributed by a local voluntary organisation in Thirsk for use by our local hospitals, the Friarage, James Cook, Harrogate and York hospitals. I pay tribute to its initiative and generosity in ensuring that our hospitals—patients and staff—are kept as safe as possible in these times. I hope that this small example, which is big in spirit, can be repeated across the country and actually bring the community and government closer together.

2.14 pm

**Lord Burnett (LD):** I congratulate the noble Lord, Lord Dobbs, on securing this debate and draw attention to my interests in the register. Because of its urgency,

I have given notice to the Minister of my intention to raise the matter of the potential personal liability of many unpaid directors, trustees and governors of schools. I am very grateful to the Minister for taking this point. I should disclose that I have the honour to be the chairman and a director of the Plymouth diocese Catholic Academy Schools Trust, comprising 36 schools. Will the Minister request the Department for Education and the Attorney-General to write a joint paper explaining to all trusts, as soon as possible, the liabilities in civil and criminal law of directors, trustees and governors and what indemnities and other protections are available to them?

The noble Lord, Lord Dobbs, made a compelling and powerful speech. He mentioned the wonderful achievement of the conversions to Nightingale hospitals. I wonder how long the planning process would have taken in normal circumstances, with a normal applicant. Open-market and social housing are vital to individuals, to the economy and to our futures. Builders cannot build houses without planning permission. Will the Minister exhort planning authorities to, first, speed up the planning process; secondly, not to put unnecessary barriers in the way of planning applications; and, thirdly, to keep their demands reasonable and economically possible? Finally, will the Minister commit to extend the Help to Buy scheme for a reasonable period? This will provide greater confidence to the housing industry, particularly to first-time buyers.

2.16 pm

**Lord Naseby (Con):** My Lords, I thank my colleague and noble friend Lord Dobbs. It is worth reminding ourselves of the macro situation. One-third of the UK's GDP is covered by public services, and they are all working flat out now. Another third is those who are producing and distributing food, fuel, power, water, water disposal and waste disposal, and they are working flat out. There is a remaining third, where nothing is happening: they are shut down, they cannot work, they cannot sell and they cannot deliver. We urgently need to get them back to work, and to do that we need a sensible distancing level of one metre, as recommended by the World Health Organization and used by France and Italy. Secondly, we must never forget my university's diktat of Maynard Keynes: unemployment is the issue that has to be dealt with, not debt.

Turning quickly to Public Health England, I am sorry to say that while it may be working hard, it has rebuffed offers of help from the private sector. That is not a good situation. It happened with PPE and it is happening now with testing. That has to be dealt with now; it is urgent.

Finally, I say a few words of thanks to my local Tesco, at Sandy. It is well run, well organised and responsive, and my goodness, that has happened in store after store, up and down the country. Secondly, I pay tribute to the work of the National Business Response Network. It has had well over 1,000 requests, half of which have been dealt with and the other half of which are being dealt with now—all on a voluntary basis. Well done to it and to the many other organisations that have helped our people.

2.18 pm

**Lord McConnell of Glenscorrodale (Lab):** My Lords, I declare my interests as recorded in the Lords' register. I thank the noble Lord, Lord Dobbs, for initiating this debate: it is a fantastic opportunity to recognise the significant role of the private sector in the Covid-19 pandemic crisis. Perhaps even more important is the critical role of the energy and creativity of the private sector in the economic recovery that must surely follow. I shall raise two points that perhaps add to the many points that have been made by noble Lords during the debate.

First, I want to recognise the fact that companies and firms have been far ahead of government in this country in relation to the sustainable development goals. They have seen their potential for the management of risk, for building greater resilience in supply chains and development, and for securing sustainable economic development both at home and abroad. I hope the Government will take that on board in looking towards an economic recovery that is more sustainable in the future, and that has the sustainable development goals as part of the framework for building the sorts of partnerships that will be required.

Secondly, I want to make a point about consumers. This crisis has highlighted, perhaps as never before, the disgraceful way that some companies treat those who are applying for refunds—whether it is airlines and holiday companies, as in this case, or others. Will the Government include in their review of actions after this crisis the question of whether new consumer rights are needed to ensure that people are better protected in future?

2.20 pm

**Lord Sheikh (Con):** My Lords, there are more than 3 million Muslims in the United Kingdom. Last year, Muslims donated more than £130 million to humanitarian and charitable purposes. Donors included a number of businesses. This year, the figure will be higher as the community wants to help during the Covid pandemic. Per capita, the Muslim community gives more than any other community to help others. When Covid-19 hit the country, individuals, businessmen, charities, mosques, centres and organisations recognised the need to provide immediate and effective help. Muslim businesses include caterers, takeaways, pharmacists, shopkeepers, taxi owners and other small businesses. The business community plays an active role. Muslim charities set up a campaign for national solidarity and provided financial help to individuals and families in difficulties.

I thank the noble Lord, Lord Desai, for mentioning charities. Muslims have established food banks providing meals, provisions and other essentials to elderly and vulnerable people as well as to refugees and the homeless. In addition, meals are supplied to hospitals and NHS staff. Furthermore, prescriptions are delivered to people at home. Victims of domestic abuse have been given support. The community has also provided financial help to families to bury their deceased. It is in our DNA to help other communities irrespective of their race or religion, and we have played a role to support the needy in the country during these difficult times.

Muslim doctors have been offering training to medical students joining the front line. Finally, it was a Muslim doctor, Ibn Sina, known as Avicenna, who taught the world the use of quarantine to control disease. His legacy is protecting us from coronavirus.

2.22 pm

**Lord Mann (Non-Aff):** I echo the points made by the noble Lord, Lord McConnell, on consumers. He will be pleased to know that a shining example of good practice is the Scottish Youth Hostels Association. Sadly, I will not be spending time with it this weekend.

As we approach the likelihood of a second, or perhaps third or fourth, wave of this epidemic, it will be critical that entrepreneurs step forward, not just specifically to assist taking on Covid-19 but to move the economy forward. We cannot afford an economy that will stagnate or worse over the next two years. The Bank of England needs to use the full range of instruments at its disposal to ensure that investment in the economy continues apace by both private investors and the state. That new economy needs to learn the lessons that Japan learned after the Second World War by using W Edwards Deming and total quality management to change the paradigm within which industry operates.

We will be entering a new economy post Covid-19. That economy will have new products. We need to be self-sustaining and self-reliant as a nation and an economy, with the electric car, the driverless car, energy-generating building materials, artificial intelligence and robotics, goods movement shifting on to freight and effective 5G everywhere. We need to take action to move into that new economy now. We must not delay.

2.25 pm

**Lord Goddard of Stockport (LD):** My Lords, I too thank the noble Lord, Lord Dobbs, for this timely debate and the noble Lord, Lord Heseltine, for his comments last night. I firmly believe that rebuilding our fragile economy will eventually be down to people such as Graham Kershaw, the owner of a small, family-run plastics company in Stockport called Macpac. It has 55 employees and not one has been furloughed. He switched production and designed and produced a plastic visor for protection from Covid-19. So far he has produced more than 100,000 a week. He modified the design and now they fit any hard hat manufactured. Network Rail is using them. He has now designed a small plastic desk partition for schools. The innovative, can-do attitude of hundreds of small businesses up and down the country will be the key to getting our economy back on track. Always remember: necessity is the mother of invention.

Greater Manchester is also home to many young, vibrant, fast-growing businesses. However, our youngest businesses, those set up since 2019, remain excluded from the Government's self-employed income support scheme. The leader of Stockport Council and Greater Manchester LEP have written to the Chancellor with proposals to close this gap. It would be helpful to have an update from the Minister on what action the Government are taking to support newly self-employed people as well.

2.26 pm

**Lord Bourne of Aberystwyth (Con):** My Lords, I also thank my noble friend Lord Dobbs for bringing this debate forward and for presenting the case with his customary flair and gusto. Like others, I think we have a kaleidoscope of support in our country: the public sector, which has been delivering magnificently—our NHS, care homes, transport sector and local authorities—and our voluntary sector, with great bodies such as Age UK, the *Big Issue* and so many others. We also depend massively on the private sector. We live in a changed world and it will change much more. Our needs and priorities will have changed, and the private sector needs to step forward to help deliver.

Meanwhile I shall mention how, in two key areas, the private sector has been stepping us and delivering, very often literally. First, on food, as many other noble Lords have said, it has done so not just by providing us with food but by providing help to the NHS and public authorities, with companies such as Kettlebell Kitchen delivering food and giving a portion of its profits to the NHS. Pubs and restaurants throughout the country are no longer able to provide pub meals in the pubs but are delivering them to their communities. The George and Dragon in Hurstbourne Tarrant is giving some of its profits to the NHS. Such pubs and restaurants deserve our thanks.

Like other noble Lords, I strongly believe that healthcare needs more encouragement and help by being provided with PPE, ventilators and a vaccine. The public sector and our great universities also need encouragement and help. Nightingale hospitals have been mentioned; They, too, are important. I also applaud what the Chancellor, Rishi Sunak, has done. He has shown flair, compassion and a steady nerve.

2.29 pm

**Baroness Ritchie of Downpatrick (Non-Affl):** My Lords, I thank the noble Lord, Lord Dobbs, for initiating this debate. I will bring a perspective from Northern Ireland. As far back as 26 March, 100 private sector companies diversified, showing skill and expertise to help in the Covid pandemic. They made scrubs, ventilators and PPE equipment because of the paucity of those items. Many restaurants and coffee shops provided much-needed meals to those who were shielding or who could not provide for themselves because of the inequalities that had arisen.

The Government provided finance through the furlough scheme and the self-employed scheme, but we have to look to the future. It is quite clear that there were many problems with our existing economy. We now have two shocks—the first was Brexit—and I hope Northern Ireland businesses will not face many barriers as they try to face what happens in terms of the Irish Sea and what was announced yesterday. It is important that there is unfettered access.

The second issue is that we have to look at the level of redundancy that will ensue whenever the furlough scheme ends. As the Ulster Bank survey last week showed, we are facing a vice-like grip on our economy—a major contraction of around 10%. What plans do the Government have, along with the devolved institutions, to bring forward regional and national strategies to

build our business confidence, a business strategy and an economic strategy in the post-pandemic era? That is very important, and I would like to hear the Minister's views on it.

**The Deputy Speaker:** I call the noble Earl, Lord Shrewsbury. Do we have him? I do not see him. I call the noble Lord, Lord Hussain.

2.31 pm

**Lord Hussain (LD):** My Lords, while calamities such as earthquakes, floods, wars and pandemics cause enormous damage, disruption and economic and human loss, they often give a society a sense of unity and sympathy. We have seen that during the current Covid-19 crisis in our own towns and cities. While the authorities are trying to do their best to help the nation in these difficult times, the business community and the voluntary sector are also playing their part in helping those in need.

In my own town of Luton, the medically trained firefighters at London Luton Airport, where passenger traffic is nearly zero, have been redeployed with the East of England Ambulance Service to assist it in its duties. The airport has also created an online volunteer hub, with the target of providing at least 100 volunteers across 18 local charities. It has also announced that it will host a by-appointment drive-through testing centre to control the spread of Covid-19.

Nationally, we have seen supermarket giants—Sainsbury's, Tesco and others—open their stores exclusively for elderly and other vulnerable people and NHS workers. TK Maxx, Boots and other brands have also participated generously through their national initiatives. Locally based Costa Coffee donated 1 million drinks to NHS and key workers and local food banks. Contributions are also pouring in from other businesses, in collaboration with voluntary organisations. Facebook groups such as the Covid-19 Luton Community Action Group and organisations such as Age Concern Luton, Luton Foodbank, Discover Islam and countless more are helping with shopping, hot meals and support for key workers and our most vulnerable.

Small businesses such as Level Trust produced 200 packs to help keep children across Luton learning during school closures and provided a further 1,000 chocolate treats. Chiltern Learning Trust produced over 10,000 PPE face masks to support front-line workers. These donations have been distributed by hundreds of volunteers to beneficiaries of Luton Foodbank and key workers.

I conclude with the words of Luton Borough Council's Chief Executive, Robin Porter, who said:

"The community effort in Luton has been, quite simply, astounding. It demonstrates the values of 'Luton in Harmony' in action, particularly as a lot of these groups cross cultures and religions and are working together for the good of the town."

2.34 pm

**Lord Empey (UUP):** Well done to the noble Lord, Lord Dobbs. This crisis has shaken us to our very foundations. As the noble Lord, Lord Mann, said, we will be returning to a new economy. However, since 1970 Whitehall has turned its back on manufacturing in this country. We last had a trade surplus in manufactures

in 1983. Since then we have been making up the difference by borrowing and selling assets. It cannot really go on.

This crisis has taught us that, while having long supply lines appears to save money in the short term, when we actually needed them we did not have the capacity to produce products. In a country that was for many decades the world leader in textiles, which built the wealth of this country, we find that we cannot even sew together two pieces of material to provide gowns for our health service. I believe we need a root-and-branch rethink.

I would like the Minister to respond to this, or, if he does not answer, take it back: we need to set up a unit in the Government looking at import substitution. We have seen what the private sector can do when it gets the opportunity, but we also know that there has been a lack of interest in this from Whitehall, because over the years it has thought that the service sector will see us through. But, at the end of the day, we still need a manufacturing base for our own security—not only food security, but industrial and health security. I ask the Minister to take that back. If he cannot answer today, will he put a letter in the Library of the House?

2.36 pm

**Lord Wei (Con):** My Lords, declaring my interests as in the Lords register, especially in tech, I join other speakers in praising the contribution of the private sector, which by and large has really stepped up to play a role in helping tackle this crisis that is bigger than just making money for shareholders. It has supported us so much as a nation, and we need to look out for business and employees in the coming economic crisis.

I have three questions for the Minister, bearing in mind the time. First, in future can the private sector be engaged through the furlough scheme and a modified industrial strategy, taking Covid into account, to transition to a more resilient world, so that businesses are never again caught out because they operate only in a physical way? We have heard many examples—pubs becoming supermarkets, et cetera. This would help us all help those who will be unemployed move into the new jobs of the future. Rather than everyone being paid to stay at home and not work, perhaps we should start paying people a little to start imagining what the future could look like.

Secondly, could more be done to build trusted hubs online? For example, I think of the excellent work of Frontline.live, set up within weeks recently to facilitate requests for PPE and suppliers that can provide it. Rather than relying purely on government procurement technology, we could look at things such as leisure technologies and blockchain to find ways to eliminate fraud, increase transparency and ensure that supplies are delivered to spec faster and less bureaucratically, using different trusted platforms that need to be built. In this context, I think particularly about the many low-margin businesses in this country in food production or other areas that right now are struggling to raise finance, operate or pay off invoices. Could there be ways in which we could help support more resilient supply chains in low-margin industries, especially post Brexit, and create the ability for them still to have the funding they need to keep our critical services and goods and products flowing, even in crises such as this?

My final question relates more to health. There have been some signs in parts of the NHS and Public Health England of a slightly anti-private sector attitude, which may have contributed to some of the challenges we have had in securing PPE and in supply chains around testing labs and so on. Could more be done to enable the NHS and, especially, Public Health England and other public bodies to have greater awareness of the potential to work with business, so that together we can solve future problems and crises more effectively and rapidly?

**The Deputy Speaker:** My Lords, we now come to two speakers who are out of order on the main list. We will first hear from the noble Lord, Lord Tyrie, and then from the noble Earl, Lord Shrewsbury, who we hope will have regained his signal. Then we shall have the Front-Benchers winding up. I call the noble Lord, Lord Tyrie.

2.39 pm

**Lord Tyrie (Non-Aff):** I declare an interest as chairman of the CMA. I will say a few words about what the CMA is doing to try to assist in this crisis. In a nutshell, the CMA has three jobs during the crisis. First, it needs to ensure that competition law does not get in the way of necessary co-operation between firms in the crisis, especially to ensure the maintenance of essential medical and food supplies. I am pleased that the Government have acted on CMA advice to exclude a number of agreements between firms on competition law that would otherwise have been prohibited.

The second thing we can do is to act rapidly and robustly against the small minority of traders that may have been exploiting consumers' vulnerability. The CMA's statutory base contains no provisions for emergency action of that type but we have a taskforce for exactly that job. We have sent over 250 letters to firms asking for an explanation of their conduct. To address price gouging, deterrence is essential in the long term, and even in the next few months, as are time-limited emergency powers, like those introduced in many other countries, especially where they have been put in place as part of the emergency. Something like that in the UK would boost deterrence further. We have offered the Government advice on this.

The third point, and the most important in the long term, is the contribution that the CMA can make to post-crisis reconstruction. The starting point will not be good. Big recessions usually weaken competition, as market concentration rises. Legislation is going to be needed and, as a number of noble Lords have pointed out, to play a full role we will need a stronger legislative base.

**The Deputy Speaker:** Do we have the Earl of Shrewsbury? I think he still does not have a signal, by the look of it. I call the noble Lord, Lord Fox.

2.41 pm

**Lord Fox (LD):** My Lords, I draw attention to my interests, as set out in the register. We have heard from 45 speakers, I think, each highlighting how private sector industries and the people in them have contributed

[LORD FOX]

to the community. Obviously, there are too many to list in this winding speech but they all deserve our thanks, as does the noble Lord, Lord Dobbs, for calling this debate. He was right to thank public sector workers, and I associate myself with his comments, but we should also remember that many private sector businesses and their employees are delivering public sector services. Refuse collection, running buses and trains, care workers visiting people in their homes and—sometime soon, we hope—the track and trace part of the future system designed to bring down the R number; most of these services come from private sector firms.

The noble Lord, Lord Blunkett, was right to emphasise the importance of public-private partnerships, and my noble friend Lord Addington was wise to caution about the nature of those relationships. In the past, public-private partnerships have attracted negative connotations; but, necessarily, the pandemic has required the rapid melding of public services and private businesses. The noble Lord, Lord Lang, spoke of the cultural differences, as did the noble Lord, Lord Wei. My impression is that some of these differences have been successfully bridged, albeit slowly sometimes. Can the Minister tell your Lordships what lessons have been learned and how these lessons will change the future of such public-private partnerships, once we are past the pandemic?

The noble Lord, Lord Caine, referenced the food industry and its distribution networks and stores, and as the noble Lord, Lord Naseby, said, that stepping up has been quite magnificent. I, like the noble Baroness, Lady McIntosh, would like to call out farmers. Work goes on, whatever the weather and whatever else happens, but some farmers are finding life very difficult. They are getting some help from the Government but not to the extent of the business that they have lost. Much of this may be a Defra concern, but can the Minister assure us that the needs of rural communities are not falling in the gaps between two government departments?

Looking forward, the noble Lord, Lord Dobbs is right. The lockdown has to end as soon as we can do so. In the “back to work” debate last week, I raised the issue of bolstering the confidence of workers that they will be safe once they return to work, and the need to support employers so that they know they have taken the right precautions. My noble friend Lord Burnett raised a question regarding liability. This is as true of the private sector as it is in schools.

In that debate, I also asked questions about the Health and Safety Executive. Frankly, I am still awaiting some answers. Perhaps this is my chance because, since that time, news has emerged that the HSE’s response will probably be more limited than the Statement implied. This is no surprise, given the huge cuts that the organisation has endured. The £14 million granted recently goes only a small way towards replacing them. Can the Minister ensure that the HSE has the resources it needs? Can he outline how it will go about giving workers and employers the confidence they need to get back to work? Further, to support this, can we not designate HSE and workplace safety workers as key workers? There is a wider need for more focused

testing in workplace hotspots, whether or not they are designated as key workers. Can the Minister comment on plans for that?

As the noble Lord, Lord Dobbs, mentioned, many non-medical sector businesses have also worked to develop technology or produce equipment to help tackle the crisis. Much of this work came from engineering and manufacturing businesses like those I worked in for many years. The country’s private sector response would have been even more effective if we had not been so careless with our industrial capacity over many years. The noble Lord, Lord Empey, is completely correct on that. My noble friend Lord Purvis highlighted that our current economic profile exacerbates our challenges going forward. Germany’s much-vaunted response was built on its industrial scale. In this context, the noble Lord, Lord Shinkwin, spoke of the need for enterprise and innovation, and the noble Baroness, Lady Noakes, spoke of the role of SMEs. They are right to highlight these. Of course, many smaller companies are integral parts of supply chains for larger companies. As the noble Lord, Lord Liddle, said, any future strategy needs to understand the role of these supply chains, how they drive innovation and how policy should help them to grow.

I hope that, if nothing else, we have learned the importance of our industrial capacity and that this informs our strategy as we go forward, for all political parties. The scope of this debate does not stretch that far, but I hope that we can return to it in future. Like the noble Baroness, Lady Jones, I look forward to debating the Government’s plans to green our economy, and, as the noble Baroness, Lady Falkner, said, we need to discuss fully how we really grapple with the workplace skill deficit. In the meantime, I look forward to the Minister’s responses to this debate.

2.49 pm

**Lord Stevenson of Balmacara (Lab):** I add my thanks to those of others to the noble Lord, Lord Dobbs, for securing this debate. Despite the limitations on speaking time it has been of high quality throughout, with many interesting insights.

Most noble Lords have singled out our magnificent health and care workers for their exemplary work during the crisis. The Motion also allows us to recognise the contribution and generosity that we have seen from businesses and the wider private sector during this crisis. The noble Lord, Lord Dobbs, called it a roll-call of honour, and I think he is right. This has included the crucial role played by corner shops; special opening hours and discounts for key workers in many retail stores; companies deciding to build ventilators to increase capacity; and, as the noble Lord, Lord Bilimoria, reminded us, companies ignoring commercial rivalries to develop services and medicines to assist those afflicted by the virus and in pursuit of a vaccine. We have just heard about the role of the CMA in that.

On the whole, businesses have stepped up when we needed them. Indeed, they could have done much more if their offer of help had not been ignored when it was made, as the noble Lord, Lord Hunt, reminded us. We thank them for their continued efforts. There really is no limit to what can be achieved if we all pull together.

As many noble Lords have pointed out, what the Government have asked from business and the wider private sector during the pandemic is unprecedented in peacetime, and they have complied. However, because of these measures, thousands of businesses face an existential threat and possible closure, with all that that means for millions of workers. This supply shock could have been disastrous in an economy that was already showing strains earlier this year, but it is a credit to the Government that they have provided a range of support measures, including the job retention scheme, various business loans and the self-employment scheme, which has worked very well. Combined with the forthcoming changes to the insolvency laws, which we support, these measures will ensure liquidity, prevent unnecessary bankruptcies and hold jobs open for millions of workers until it is safe for businesses to reopen. In this context, I agree with the noble Lord Lord Fox, that the Health and Safety Executive has been given a major responsibility, and it needs to be supported now and in future.

I hope the Minister will accept that some of the measures have been improved by scrutiny here and in the other place. There are still issues to be resolved, such as schemes for SMEs that are looking to access loans with a 100% guarantee above £50,000. As several noble Lords have pointed out, additional support may need to be provided for companies operating in the tourism, hospitality and cultural industries, particularly where taking on more debt is not a viable option. What plans are the Government considering for these sectors?

Does the Minister agree that where the state has assumed responsibility for providing support to a private sector company, it is absolutely right, as the noble Lord, Lord Balfe, has pointed out, to require all such firms to make the correct tax payments when they fall due; to require that they are not registered in a tax haven; and that they should not pay dividends to shareholders while they are claiming government resources?

I turn to the recovery. Private businesses and the wider private sector will also have a significant role to play after the pandemic. It is true that businesses want to reopen and people want to return to work, but this must be done with maximum safety. It is equally important that such moves have full-hearted public support so that the great pause, as some are calling it, does not turn into a great depression. The Chancellor has said, perhaps rather chillingly, that he cannot save every business, but surely he recognises that every business that goes bust risks deepening the recession and extending the time taken to recover our economic health. We are fast approaching the point where the focus of the Treasury's efforts has to switch from supply to demand. How are we to persuade people to spend more than they do at present on goods and services, preferably those that are not imported? To do that, people need to feel secure about their income, their employment and, as the noble Lord, Lord McConnell, said, their consumer rights, and they have to be certain that spending today is not going to take them into unmanageable debt. There are both monetary and fiscal aspects to this, and it will need careful planning and timing if it is to work. As the noble Lord, Lord Campbell of Pittenweem, said, threatening a return to austerity will not take this trick.

The Government need to come up with a rescue plan to drive up demand and reduce business uncertainty for the long term, a strategy that focuses on sustainable high-quality jobs and growth. As the noble Lord, Lord Dobbs, said, we particularly need to reach out to young people entering the workforce this year and guard against this becoming a lost generation. However, I believe that recent polling suggests that the public also want something else. They do not want the economy simply to return to where we were pre-pandemic. They want a new deal, with growing support for a green new deal. What could that be composed of? As the noble Lord, Lord Hendy, said, surely we first need to learn the lessons of recent months and get real about the sort of income levels and support that those who have borne the brunt of the pandemic will need in future. It is after all the lowest-paid workers whom we have relied on most, as well as our key workers, and they need a new inclusive approach to employment laws and protection if we are to tackle their insecurity.

But the climate emergency is a challenge that we can simply no longer afford to ignore. I read recently, in an *FT* editorial last weekend, that

“governments should use their spending power to help stimulate a recovery from the virus that does not lock in a fossil-fuelled economy.”

Such a strategy could create an army of zero-carbon workers planting trees, rewilding our countryside, restoring natural habitats, insulating our existing housing stock and office buildings, and working on green energy technologies. This could help us to achieve our zero-carbon target much earlier than the Government are currently planning, provide people with much-needed job security after a period of such turmoil, and benefit everyone's financial security through lower energy bills. The public should look back on the support that they have given business over this period with pride, but it would be strange if that investment were not used to return benefits to the public good.

My noble friend Lord Liddle called for a public/private partnership while my noble friend Lord Desai suggested a sovereign wealth fund. I hope that both ideas have been given serious consideration. Another way, which would follow on from the support given to the banks in the 2009 crisis, is that the Government should be willing to consider taking an equity stake in firms that they have supported, particularly where there is a compelling economic, security or environmental reason. Other countries are already doing this—for example, the French and US stimulus packages allow for the Government to take equity stakes in airlines that receive aid—but we could go much further by taking government stakes in line with long-term green new deal goals. We can invest in new technology companies to power the fourth industrial revolution or require energy-intensive industries such as steel to switch to alternative manufacturing methods.

I doubt that many people think the global supply chain will return to its shape pre Covid-19. Indeed, some commentators are saying that globalisation will enter a new phase after the pandemic that will demand a new sustainable trade policy more capable of dealing with the demand and supply shocks caused by Covid-19.

[LORD STEVENSON OF BALMACARA]

Coronavirus has cruelly exposed global inequality, so different priorities for trade need to reflect a reoriented world. A sustainable trade policy could focus on securing opportunities for all sizes of businesses, human and employment rights, consumer interests and climate protection for the whole world long term. It would also provide a proper role for Parliament, something that we will return to in round 2 of the Trade Bill.

Business and the wider private sector have contributed greatly to the work of combating Covid-19. We welcome their contributions. We have supported the Government as they have tried to deal with their concerns during the crisis, and there is more to come. The noble Lord, Lord Dobbs, said it would be a tragedy if we ended this crisis with greater poverty. I agree with him that we must now work with business and the wider private sector to secure the recovery with a green new deal that shares the benefits of cleaner inputs and more sustainable outputs for the benefit of us all.

**The Deputy Speaker (Lord Palmer of Childs Hill)**

**(LD):** I call the noble Lord, Lord Callanan. Lord Callanan, you need to unmute.

2.57 pm

**The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan)**

**(Con):** My apologies; I thought the muting was done centrally. I thank my noble friend Lord Dobbs for securing this important debate. The excellent, well-informed contributions from many noble Lords demonstrated the excellent range of expertise across our House.

It goes without saying that these are extremely difficult times, and there is no question but that they would be a lot more difficult were it not for the role of the private sector. This is of course a national effort, as the noble Lord, Lord Wallace, reminded us, involving community, democracy and the voluntary and public sectors all working together. Business and the wider private sector have played a critical role too, as many other noble Lords pointed out. Its generosity and ingenuity have helped us to protect the NHS, save lives and shield the economy from the worst of this virus. I put my gratitude on the record. It is of course impossible to name all the companies that have played a part, or even all the ways in which they have helped, but I would like to echo many noble Lords and give the House just a small flavour. Since the crisis began, we have witnessed businesses adapting with impressive speed to operate safely and safeguard jobs, not least in the food sector, as my noble friend Lord Caine reminded us. I include in that smaller shops such as corner shops, which the noble Baroness, Lady Kennedy, spoke about.

Companies such as Interserve and KPMG have played an integral role in building our Nightingale hospitals, as many noble Lords observed. Without the prompt response from construction companies and the efforts of builders and engineers, we would not have been able to bring those hospitals online with such speed. We have seen many firms supporting the vulnerable alongside the voluntary sector, with energy suppliers agreeing to assist customers facing difficulties, and companies such as Brakes, Bidfood and Holiday

Inn getting food to the vulnerable and providing rooms for the homeless. Across the country we have watched private companies turn their manufacturing might towards meeting the demands of the pandemic and supplying medical equipment to our vital NHS front line.

In the north-east alone—my home region, if the House will forgive me—we have seen the Barbour factory in South Shields shift from producing wax jackets for the world to making gowns and scrubs for local hospitals. Rolls-Royce in Tyne and Wear, and indeed elsewhere, played its part in the ventilator challenge, producing medical ventilators for the UK. The same is happening up and down our nation. As mentioned by the noble Lord, Lord Dobbs, our leading world fashion houses have gone from luxury fashion to protective kit, delivered to the front line by eBay, Amazon and many others. I am sure my noble friend Lord Lang will be delighted to hear that.

The need for hand sanitiser has mobilised cosmetics and drinks companies large and small, with companies such as Chivas Brothers in Scotland sending tankers of Strathclyde grain spirit rattling down the motorway to make gel for our front-line NHS staff. Meanwhile, pharmaceutical companies are collaborating with our universities to support the Government's plans to boost testing. As the noble Lords, Lord Blunkett and Lord Bilimoria, pointed out, such private-public collaboration is absolutely critical to the effort. I recognise the point made by the noble Lord, Lord Liddle, on public-private partnerships as well; it was important to make that observation. Our outstanding life sciences sector will help us to produce the vaccines that we need once one has been found. As the noble Baroness, Lady Northover, pointed out, we have considerable expertise in the UK in this area.

All in all, there has been overwhelming support from business and the wider private sector. We are grateful for every offer of help that we have received, just as we are grateful to the business leaders, trade associations and representative bodies that have given up their time to help shape the Government's response to this crisis. My noble friend Lord Bourne spoke about the support that the private sector has offered to the public sector, and so it is with central government. I should point out that these organisations, alongside others such as Be the Business, are providing critical support, guidance and information to businesses as well as regularly meeting my colleagues and me in BEIS to tell us about the situation on the ground. We all listen carefully to everything that they have to say to us. It was their feedback that helped us to make changes to the Coronavirus Business Interruption Loan Scheme in April, which has now loaned over £7 billion—banning personal guarantees for smaller loans, for example, and extending the scheme to small businesses.

It was in response to their concerns that we introduced the bounce-back loans scheme at the end of last month to make sure that the smallest businesses can access the credit that they need within days. I am pleased to tell the House that this scheme has now issued loans worth £14 billion. It is because we have listened that we will soon be introducing the Corporate Insolvency and Governance Bill, which was introduced in the other place yesterday. This will help to support businesses

through these very difficult times, with new options for company rescues and corporate governance measures, giving directors more flexibility to focus on what matters most during the pandemic.

As of yesterday, we have launched the Future Fund, issuing convertible loans to innovative companies facing financing difficulties due to the virus, helping them to weather the crisis. We have also worked closely with business, industry bodies and trade unions as we have developed the safer workplace guidance for firms. As the noble Lords, Lord Liddle and Lord Hendy, said, the input from trade unions was vital here. This guidance is helping businesses to reopen safely and get our economy going again—and we will continue to work with trade associations, responsible trade unions and other representative bodies to do so. We know that business is the engine that will drive our economic renewal, and rebuilding our economy is now critical, as my noble friend Lady Noakes said. We recognise the difficulties that businesses face, as many other noble Lords have mentioned. The noble Baroness, Lady Uddin, for instance, mentioned caterers. I would indeed like to congratulate the Bangladesh Caterers Association, as well as the Muslim community, on their efforts, as mentioned by the noble Lord, Lord Sheikh.

As we rebuild the economy, the green sector will play an important role: driving growth, positioning the UK at the forefront of clean technologies and helping us to meet our net-zero target by 2050.

Many excellent points were made during the debate and a number of questions posed. Noble Lords will understand that it is impossible for me to respond to them all, from 50 speakers, but I will go through as many as possible in the available time and hope that noble Lords will accept my apologies if I do not get around to their point.

The noble Lord, Lord Balfe, raised an important point on small businesses. The Government are committed to a corporate tax system that is competitive but fair. We will not tolerate anyone, including large businesses, treating tax as an optional extra. Her Majesty's Revenue and Customs subjects large businesses to an exceptional level of scrutiny and secured £10 billion in additional compliance revenue from the largest and most complex businesses in the UK in 2018-19.

The noble Lord, Lord Bilimoria, asked about the government-guaranteed loan scheme. Across the Government's business interruption loan schemes, businesses can access loans of between £2,000 and £50 million. We have carefully considered what size of guarantee gives lenders confidence to provide finance to SMEs; an 80% government guarantee on lending is an important tool to ensure that lenders have sufficient skin in the game when lending large government and taxpayer-backed loans.

The noble Baroness, Lady Jones, asked a number of questions. I will take them in turn. First, all farms and food businesses are eligible for the various financial support packages provided by the Government, including the Coronavirus Business Interruption Loan Scheme and the bounce-back loan scheme. We will continue to monitor the situation and to work closely with all the food and farming sectors to assess and respond to emerging issues as they arise, working closely with our

colleagues in Defra. The noble Baroness also asked about the school food voucher scheme. This is, of course, a matter for the Department for Education but I reassure the noble Baroness that the Government recognise that it may not be convenient or possible for some families to visit one of the supermarkets on the scheme. The DfE are working to see whether additional supermarkets can be added to the list. Schools are best placed to make the decisions for their children, families and communities. We encourage those schools to utilise a local solution supporting eligible pupils—for example, purchasing vouchers direct from a local provider.

My noble friend Lady Buscombe talked about the high street and asked about reducing social distancing measures. The science about Covid-19 transmission is of course complex. As a precaution, Public Health England recommends trying to keep two metres away from people as much as possible. The second step, set out in the Government's road map from 1 June, covers non-essential retail. The timing of businesses' reopening will depend on the latest assessment of the risk at that time because the risk of transmission is higher in environments that are indoors, require more physical contact or encourage crowds. We have set up task forces to work with these sectors to develop Covid-19-secure guidelines for them to follow when it is safe to do so. We have seen examples of how supermarkets and other essential shops have implemented the social distancing guidelines to operate safely. Further work will need to be done alongside sectors currently closed to ensure that they too can operate safely.

The noble Baroness, Lady Kennedy, asked for an update on the Government's consultation on shop worker abuse. Any incident of violence or abusive behaviour towards retail workers is completely unacceptable and especially so in current circumstances. Retailers and staff are working hard to accommodate customers and implement social distancing measures to keep the public safe. We recognise that there is more to do. That is why the Government launched a call for evidence on violence and abuse towards shop staff to help strengthen our understanding of the scale and extent of the issue. During the Westminster Hall debate on protection of retail workers, the Minister for Crime and Policing committed to publishing the Government's response in March. However, as the Government's communications must focus on tackling Covid-19, publication of the response has been delayed; we will endeavour to publish the call for evidence as soon as practicable.

The noble Baroness also asked about ensuring food supplies. I assure her that retailers are continuing to monitor their supply chains and are taking all necessary steps to ensure that consumers have the food and supplies that they need.

The noble Lord, Lord Addington, asked what will happen to those with disabilities in new job markets. In their manifesto, the Government committed to reducing the disability employment gap. They are actively monitoring the impact of Covid-19 on the labour market, including on those with disabilities and on other groups. Of course, employers must comply with the requirements of the Equality Act 2010 and ensure that they do not unlawfully discriminate.

[LORD CALLANAN]

I thank the noble Lord, Lord Burnett, for his question about the liabilities of the chairmen and directors of multi-academy trusts, and I thank him, too, for giving me advance notice of his question. I assure him that I have raised this matter with colleagues in the Department for Education, and I will ensure that he gets a speedy reply on this important matter.

My noble friend Lord Moynihan raised an excellent point regarding the UK oil and gas industry, which is continuing to provide essential energy to our economy throughout the epidemic. The Prime Minister gave an update on the quarantine regulations last week, and further information on this will come shortly.

In response to the noble Lord, Lord Tyrie, my department and the CMA have been working together closely to develop the proposals made by his organisation in 2019. For example, following a commitment made in June 2019 by the previous Secretary of State, we are looking into the possibility of putting the CMA's powers on an administrative basis. This will allow the CMA itself to decide whether there has been a breach of consumer law, rather than having to go to court.

The noble Lord, Lord Fox, asked about struggling farms. I assure him that all farms and food businesses are eligible for the various financial support packages provided by the Government, including the Coronavirus Business Interruption Loan Scheme—the bounce-back loan scheme. We will continue to monitor the situation and to work closely with all food and farming sectors.

The noble Lord, Lord Stevenson, asked about the green new deal for the economy. As we recover from the Covid-19 pandemic, the Government intend to deliver a UK economy that is stronger, cleaner, more sustainable and more resilient. Defra and BEIS are working closely together on this. I agree with the noble Lord that as we and other countries recover from Covid-19, the decisions that we make today will either lay the foundations for sound, sustainable and inclusive growth or they will lock in polluting emissions for decades and, in so doing, make our society and the planet more vulnerable to the interlinked challenges of public health, climate change and biodiversity.

This pandemic has, of course, had terrible consequences but it has also shown the best of us: the courage of our key workers, our community spirit and the resilience of our nation. Finally, I agree with my noble friend Lord Hunt of Wirral that it is indeed an inspiring tale of the ability and willingness of business to embrace its role in this great national effort, both to defeat the virus and to power our economic recovery. For that, I, and I am sure the whole House, is hugely grateful. I thank my noble friend Lord Dobbs for securing this important debate.

3.12 pm

**Lord Dobbs:** My Lords, I thank my noble friend Lord Callanan for his attention to this debate. We have all enjoyed some dodgy IT, the barking dog belonging to the noble Lord, Lord Blunkett, and some very tempting sunshine outside. Nevertheless, we have got through what I think has been an excellent and wonderfully wide-ranging debate. Astonishingly, I am told that it is

the first debate on the private sector in Parliament since the Covid crisis began, so, once again, the House of Lords is doing what it does so well.

Noble Lords will understand that I cannot possibly do justice to all the excellent contributions. However, I would like to express sympathy for those who were unable to participate despite preparing valuable contributions. I hope that we will get many more such opportunities over the coming months and when we get back to full and proper debate.

The noble Lord, Lord Addington, made a very powerful point about the disabled—a point that touched me. It reminded me, and I hope that it reminds us all, that the private sector is not just about the big battalions or the behemoths; it is about ordinary people: workers; the abled; the disabled; working mothers; part-timers; the elderly; and apprentices, as the noble Baroness, Lady Falkner of Margravine, reminded us—those who will never be rich but who want no more than to care for themselves and their families. They are the private sector, too. There are millions of them and that is why we should care.

The debate ahead, which we will continue to have, has been pretty clearly outlined. The noble Lord, Lord Hunt of Kings Heath, criticised the Government. My noble friends Lord Lang and Lord Naseby questioned the abilities of those at the centre—in government and in the Civil Service—to deliver the things that they hoped to deliver. Where will the future balance come from?

Fascinatingly, there has been little criticism of the private sector but much praise—from, for example, my noble friend Lord Hunt of Wirral. The private sector has done very well, although inevitably there have been some exceptions, as the noble Lord, Lord McConnell, reminded us. My noble friend Lord Balfé—I thought, quite correctly—also reminded us that we should examine the moral basis of what we do and how we do it. I hope that we will always do that. I enjoyed the characteristically powerful plea from the noble Lord, Lord Empey, for us to look at the role of the manufacturing industry and at shortening supply lines.

There will be—there must be—an ongoing debate, and even dispute, ahead of us about all the things that we have discussed. None of them is easy, yet many noble Lords—the noble Lord, Lord Blunkett; the noble Lord, Lord Bilimoria, with his plea to work together; and the noble Lords, Lord Liddle, Lord Campbell, Lord Fox, Lord Stevenson, and many others—talked about the public and private partnership. To give a little context to those perfectly correct pleas, the public sector employs less than 17% of the workforce; the private sector is far larger—five times larger—and that is why it deserves our attention.

I think that we can be proud of this debate. We must all get back to business. In particular, I am told that I need my hairdresser. In the meantime, I reiterate my thanks to all: those in front of the screens, those behind the screens and those who never made it to the screens. I wish them all health and happiness. Once again, I express my thanks.

*Motion agreed.*

**The Deputy Speaker:** My Lords, the Virtual Proceedings will now adjourn until a convenient point after 4 pm for the Question for Short Debate in the name of the noble Lord, Lord Cormack.

3.16 pm

*Virtual Proceeding suspended.*

## Arrangement of Business

### *Announcement*

4.02 pm

*The announcement was made in a Virtual Proceeding via video call.*

**The Deputy Speaker (Baroness Newlove) (Con):** My Lords, Virtual Proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. When Members have finished speaking, their microphone will again be set to mute.

The Virtual Proceedings on the Question for Short Debate in the name of the noble Lord, Lord Cormack, will now commence. This is a time-limited debate. The time limit is one and a half hours.

## Covid-19: Museums, Galleries and Historic Buildings

### *Question for Short Debate*

4.03 pm

*Asked by Lord Cormack*

To ask Her Majesty's Government what steps they are taking to support (1) museums, (2) galleries, and (3) historic buildings open to the public, affected by the restrictions in place to address the COVID-19 pandemic.

*The Question was considered in a Virtual Proceeding via video call.*

**Lord Cormack (Con):** My Lords, I am very glad to have this opportunity to raise this extremely important issue. I thank all colleagues who have put their names down to speak. I express two hopes: one is that the House authorities will be able to get together and ensure that in all future debates, no Member who speaks has less than three minutes; the other is that we will very soon be back in our own Chamber debating normally.

The United Kingdom's museums and galleries, both national and provincial—our castles, country houses, parish churches and great cathedrals—individually and collectively proclaim our local and national identity. However, they are also priceless assets that generate enormous sums every year. When we are once again able to welcome tourists, they will come not for the weather, or to bask on our beaches. Many surveys over decades have established that visiting our heritage is the main reason visitors come to the United Kingdom.

Unless there is a return of the pestilence, we hope to see a controlled and monitored reopening of some of these buildings in July, although many, including those belonging to the National Trust, will remain shut throughout the summer. But what of future summers? A survey of 1,200 heritage sector organisations by the National Lottery Heritage Fund revealed that 46% believe that they cannot survive for another six months. Equally alarming, Historic England reports that 40% of smaller craft-based businesses and professional services such as architects, surveyors and engineers forecast business failure within three months. Similar disturbing findings come from the Heritage Crafts Association, of which I am a patron.

Hilary McGrady, who is the director-general of the National Trust, has announced that its income will fall by £200 million this year. The trust is Europe's largest conservation charity, with responsibility for 780 miles of coastline, 240 hectares of land, 500 historic houses, parks and gardens, and one in 12 of all accredited museums in England, Wales and Northern Ireland. Already, it is seeing a decline in its 5 million membership, and its major conservation and restoration projects are on hold. The position of English Heritage, which has responsibility for such iconic sites as Stonehenge, Hadrian's Wall and the Cenotaph in Westminster, is precarious, and it will need an injection of government funds.

A large number of historic houses open to the public are in an even more difficult position. Many of them depend on income from hosting events, especially summer weddings; everything planned for this year has been cancelled; and those with wonderful gardens are not allowed to open them—an extraordinary anomaly in view of the very sensible recent decision to open garden centres. Garden tourism alone accounts for £3 billion a year and employs 32,000 people, most of them at the moment on furlough. As for museums and galleries, many of the smaller ones, in spite of emergency grants from the Arts Council, may well not survive.

The Church of England is responsible for 12,000 grade 1 and grade 2\* listed churches, which are largely dependent on the fundraising of often dwindling—and ageing—congregations. One diocesan Bishop said recently that he expected many in his diocese to close. I speak, literally, in the shadow of Lincoln Cathedral, one of the greatest of all our cathedrals. It costs more than £50,000 a week to maintain, and that does not account for any restoration or repair, nor for the cost of the staff and the dedicated and very skilful craftsmen and women.

I salute the Chancellor for his efforts to save the economy. His furlough scheme in particular has been of enormous help in the heritage sector. Both the National Trust and English Heritage have taken full and proper advantage of it. But the repercussions of the failure of the tourist industry—the backbone of the economy in many parts of the country—are truly dreadful to contemplate. Yet, if architects and craftsmen go to the wall, not only will valuable jobs and skills be lost; our historic buildings will be at greater risk than ever before.

With the stroke of a pen, Mr Sunak could make a great contribution to their survival—by removing VAT on restoration. It is inexplicable that restoration carries

[LORD CORMACK]

20% VAT and new-build carries none at all, so I hope that he will take that message. Although the Chancellor's support for front-line charities is most welcome, it will do little to help support charities in the heritage and cultural sectors, whose work is essential for the physical and mental well-being of us all as we emerge from lockdown.

The Arts Council, to which I have referred, has already helped museums such as the Foundling Museum in London, the Pen Museum in Birmingham and the Yorkshire Museum of Farming in York, from the extra funds it is allocating. However, it has had more than 200 applications, and many of them it will not be able to reply to positively.

The National Lottery Heritage Fund—as we must now call it—has taken swift action, too, but we need the Government to play a central role in bringing all those with heritage responsibilities together and in giving clear and encouraging guidance to those who, like English Heritage, are desperate to open those buildings where they can make an admission charge and where they have staff to whom they are responsible. It is disturbing to hear the director-general of the National Trust saying:

“The Government needs to engage better with organisations such as ourselves. We need real clarity of message about what is acceptable and what is not, as do the public. We also need as much notice as possible in order to plan our approach and prepare our sites.”

Our heritage could prove to be the greatest victim of Covid-19. How tragic it would be if this pernicious pestilence endangered our collective memory, our sense of being and our understanding of our history, and led to the permanent impoverishment of future generations. Let not ours be the generation that allowed that to happen.

4.11 pm

**Lord Faulkner of Worcester (Lab):** My Lords, I congratulate the noble Lord, Lord Cormack, on securing this important debate. For nearly 10 rewarding years, I had the privilege of serving as a trustee of the Science Museum Group, and I saw for myself how much our collections matter to the British people. In lockdown, they are valued more than ever, as people at home have turned to online content to explore and learn—the group has seen a fourfold increase in engagement with its learning resources.

The treasures in all our museums are held in trust for the public and belong to them. If they are to become accessible again, the Government will need to commit additional funding to support their recovery. They have put up with years of cuts and worked heroically to increase commercial income, but that has largely vanished during the lockdown period. We need the Government to make a clear commitment to helping museums get back on their feet. In Germany, the reopening of museums has been a source of massive pride and the French are also announcing massive renewal funds. Where are the same ambition and plans for the UK?

4.12 pm

**Baroness Bonham-Carter of Yarnbury (LD):** I declare an interest as trustee of the Lowry and of One Dance UK. The subjects of this debate are important because

of their essential contributions not just to the economy but to the healing process following this crisis. I welcome the Cultural Renewal Taskforce, but will the Government give clarity as to when museums and galleries will be able to open? Uncertainty makes planning almost impossible. Does the Minister appreciate the knock-on effects on artists who rely on these institutions, as well as on others who work for them? The majority are freelancers and many are unable to furlough; will the Government look at targeted support? Further, will the Minister put the case to the Treasury for a contribution of the self-employed income support scheme in line with the extension of the job retention scheme?

Venues such as the Lowry play a significant role in using the arts as a tool to support the vulnerable and successfully break cycles of deprivation. Does the Minister agree that this outreach and support is all the more essential today? For so many reasons, these institutions must be supported. They must survive.

4.14 pm

**Lord Kirkhope of Harrogate (Con):** My Lords, not all museums, galleries and historic buildings are either well endowed or eligible at present for government support. There are many small but equally worthy projects in Yorkshire, for instance, including the Ripon museums. My proposal, which I hope my noble friend will convey to her Treasury friends, is that, like the United States system of deductibility, we freshly address the tax system to make it positively advantageous for large numbers of taxpayers to offer support to their chosen cause, covering not only charities but trusts and other organisations of similar community value. Widening the tax benefits substantially for those who wish to give will decisively, in my view, help to protect and develop this important sector. My noble friend, I hope, will take action on this and ask her colleagues to do the same.

4.15 pm

**Earl of Devon (CB):** My Lords, I note my heritage interests. Tomorrow is Radio 1's first virtual Big Weekend. Usually, it is Europe's largest free live music event, bringing big stars to corners of the country with no access to such live acts. Twenty of the last 22 Big Weekends took place in historic parks, not because Radio 1's audiences are heritage fans but because these are the only local venues able to host them. Historic parks also host festivals, weddings and exhibitions; they are key local employers and support thousands of SMEs. All are now closed, but their obligation to preserve listed land and buildings has not stopped. Income has ceased, spending has not.

In normal times, privately owned heritage competes unequally with the National Trust and English Heritage, which have huge fiscal and funding advantages. This disparity has now grown into a chasm, as such businesses are excluded from much emergency support, including the National Lottery's emergency fund. What is the Government doing to ensure that privately owned, publicly accessible heritage has equal access to the support it needs?

4.16 pm

**The Lord Bishop of Portsmouth:** My Lords, the Church of England alone has 16,000 church buildings, over 12,000 of which are listed. We are at the bedrock

of our communities and thus can be at the heart of recovery. I therefore make three points. First, we are rich in assets, but the pandemic means that income is plummeting, and budgets were already tight. I therefore urge the Government at least to remove VAT on repairs to historic buildings.

Secondly, government often brackets us with the hospitality industry. Are we hospitable? I hope so. Are we historic? Yes. Does such categorisation meet our distinct needs? No.

Thirdly, the Church encompasses buildings and people. Our impact on people will define us, so how we respond pastorally to the pandemic from our buildings will leave the deepest impression.

4.17 pm

**Lord Mandelson (Lab):** My Lords, I chair the trustees of the Design Museum, which opened in 2017 in the iconic former Commonwealth Institute building. There is no other design museum like it in the world, with its exhibitions and its learning and entrepreneurial programmes, which are inspiring a whole new generation to forge their professional careers in arts and science in order to design a better world.

Design is Britain's great competitive advantage, so I say to the Government: please do not just support the venerable publicly funded institutions, with their endowments and reserves, through this crisis, at the expense of the new. You also need to support the independent and hitherto privately funded entities, which the lockdown is depriving of all their revenue and pushing towards a precipice. If the Government fail in this responsibility, museums such as the Design Museum will go under because they do not have a big enough financial cushion to fall back on. I look forward to hearing the Minister's reassurance.

4.19 pm

**Baroness Benjamin (LD):** My Lords, the Government are encouraging the use of open spaces but refusing to relax restrictions for any open space that requires a ticket for entry. For example, Kew Gardens cannot even let in its members because they still require a ticket for entry. The National Trust and Historic Royal Palaces have to charge for entry as they do not receive government funding—but, again, they cannot open as tickets are required for entry.

Logically, requiring a ticket to visit these organisations is safer than visiting open parks, because numbers can be managed and social distancing controlled. Crucially, it could be the only income these organisations get: it is a matter of survival, yet government rules are preventing this. Will the Government modify these rules and allow people to visit places such as Hampton Court gardens that can operate a carefully managed ticketing system so that people can once again enjoy these open spaces, which are beneficial to their well-being?

4.20 pm

**Baroness Hooper (Con):** My Lords, I congratulate my noble friend on securing this debate and strongly support all the arguments he advanced so comprehensively. My contribution, as a former trustee of the museums and galleries of Liverpool, is to ask the Government

to ensure that any support for national museums in London should also support the few national museums outside London—those in Liverpool being leading examples. I also ask the Government to encourage local authorities to support the many fine regional museums and galleries up and down the country.

Finally, we have so far been blessed with good weather during this Covid crisis. It is vital that people, in an ongoing self-distancing future, should have somewhere stimulating to go if and when it rains.

4.21 pm

**Baroness Bennett of Manor Castle (GP):** I have one minute and two points. First, we have seen creative education provision collapse in recent years, with a focus on a narrow range of subjects. Funding to support schools to visit museums, galleries and historic sites would be double bang for the buck, would help the mental health of pupils and would assist schools to provide social distancing and find the space they need.

Secondly, Britain is very sparse in its public art—art in public spaces created communally. Funding for museums, galleries and historic sites to work with local communities and artists—so many of whom are struggling financially at the moment, as self-employed or independent creatives—would be a win-win, giving financial support to people who badly need it and an improvement in the quality of our environment. Let us build back better.

4.22 pm

**Lord Janvrin (CB):** My Lords, I draw attention to my relevant interests, including as a member of the board of the British Library. I have three points. The first relates to the British Library, which is part heritage but so much more. I thank the DDCMS for its collaboration with the British Library in these unprecedented times. The library has a unique contribution to make to our national recovery.

Secondly, I encourage the DDCMS to target support to the smaller local museums that play a key role in their communities. They are particularly threatened by the consequences of this pandemic.

Finally, I urge the Minister to look again at ways to stimulate more philanthropy in our society through, for example, the promotion of payroll giving, incentives for greater corporate philanthropy and lifetime legacies.

4.23 pm

**Lord Wood of Anfield (Lab):** My Lords, this is what the German Government are doing to support museums and galleries. On 30 April, €10 million was provided for adaptation measures to enable reopening, with special time slots for vulnerable visitors, spatial redesign, extended opening hours, masks and increased cleaning. From 4 May, museums and galleries have been gradually reopening, and the German Government are now negotiating a cultural infrastructure fund of up to €500 million.

In the UK, recovery must follow this German commitment to significant emergency support, but because the UK's national museums and galleries remain committed to free admission, their reserves

[LORD WOOD OF ANFIELD]  
will quickly be exhausted. The special exhibition-based business model adopted by so many of them is now not viable. If we want not just to protect some of our great national cultural institutions, but to protect them from returning to the necessity of routinely charging visitors, they will need hundreds of millions of pounds—not to avert a downturn but to avert a catastrophic cultural cull.

4.24 pm

**Baroness Scott of Needham Market (LD):** My Lords, I declare an interest as a non-executive board member of the National Archives. While the National Archives has closed its building, given the importance of its function, I wanted to reassure noble Lords that it remains highly active in very important ways.

For the duration of its closure, it is providing free online access to its wide range of digitised records. Through [legislation.gov.uk](http://legislation.gov.uk), it is aiding legal certainty through the rapid publication of emergency legislation, operating a seven-day-a-week service. It is capturing the comprehensive record of the Government's evolving response to Covid-19 by archiving key government websites and social media channels.

Given its role as leader of the wider archive sector, I close with a plea to consider the impact of this crisis on archives more widely. Its economic impact puts at risk the survival of the irreplaceable archives maintained by businesses, charities and local authorities.

4.25 pm

**Lord Crathorne (Con):** My Lords, I thank my noble friend Lord Cormack. One of the anomalies of the easing of lockdown relates to the continued closure of gardens which are normally open to the public. The majority of these beautiful, life-enhancing places are owned by the National Trust, English Heritage and members of Historic Houses.

Garden centres have now reopened without any problem, so why not gardens? The Government have indicated that they hope to allow this to happen in early July. I strongly urge them to stick to this plan, which will greatly help the £3 billion garden tourism industry and give enormous pleasure to the large number of visitors who enjoy these places. Scientists tell us that outdoors is the healthiest and safest place to be.

4.26 pm

**Lord Low of Dalston (CB):** My Lords, this short debate is about what the Government are doing to support the arts, particularly the visual arts and heritage, in face of the restrictions imposed by the pandemic. The point I want to make is that it is particularly important to promote policy and practice designed to support the arts at a time of restriction. It is just when horizons are being shut down that it is most important to enlarge them.

That is what the arts do in taking us beyond the mundane and the prosaic and into the world of the imagination, beyond the concrete and the functional and into the world of feeling and the emotions. It is not going too far to say that this is essential for mental and physical well-being. We are indebted to the noble

Lord, Lord Cormack, for reminding us of a truth all too easily forgotten when we are fighting a crisis. Yet, in truth, we are strengthened in fighting the crisis if we do not allow society to forget it.

4.27 pm

**Baroness Wilcox of Newport (Lab):** My Lords, I welcome the package of measures amounting to an extra £18 million announced in April by the noble Lord, Lord Elis-Thomas, a Deputy Minister in the Welsh Parliament. However, I fear that this is only a fraction of what will be required to support the cultural sector in Wales.

This virus is having a devastating effect. Most organisations have lost the majority of their income overnight. Many venues have worked hard to reduce their reliance on public funding, but those which generate most of their income themselves now face real difficulty. Of course, councils across the UK are the largest investors in cultural activity and venues make a significant contribution to council budgets through earned income.

Without a clear direction for lifting the lockdown, it is very hard for venues to prepare. The prospect of reopening and having to social distance is difficult to imagine. There is also concern about the public's attitude and appetite to return to visiting such spaces. Theatres, art centres and museums are not just entertainment venues or places to visit; they are central to communities. They give people a sense of place and they must be protected.

4.29 pm

**Lord German (LD):** My Lords, in recent years, this sector as a whole has diversified its income streams. The most sustainable, and now the most sensitive, of these is the great number of member, friend or supporter schemes, which are run by museums, galleries and historic buildings alike and enrol people as members or supporters in return for an annual membership fee.

The Covid effect on these schemes is a drift towards members not renewing their subscriptions. However, more worrying for the long term is the sharp downward trend in the number of new subscribers being attracted to join. This has a huge impact on the survival of many in this sector. Can the Minister ensure that this problem gets a hard look from the Government and the funding bodies so that it can be addressed in support measures? Many of the sector-based sources of finance have been or are close to being exhausted. If measures are not introduced, many of these totems of our heritage and well-being as a nation may well be unable to reopen when the time comes.

4.30 pm

**Lord Kirkham (Con):** In the current public health emergency and critical economic situation, it would be so easy to regard museums, galleries and historic buildings as a luxury option. That is nonsense. Our national heritage is our biggest attraction to overseas visitors. It is our calling card to the world, making an unmatched contribution to our quality of life, well-being, mental health and social cohesion, which is rather important with unemployment speculated to be at around 4 million. Museums, galleries and historic buildings showcase our history and proud achievements.

As the Chancellor's much-appreciated lifelines of support are removed, to have a future, this sector desperately needs financial help. These amazing institutions will urgently need money to survive—sums that may seem petty cash within the overall cost of the pandemic, but which are vital. If we hope to emerge from this protracted trauma as a country worth living in, no part of our besieged economy deserves the Government's understanding and tangible support more than the nation's priceless assets—as my noble friend Lord Cormack described them. I thank my noble friend.

4.31 pm

**Lord Bhatia (Non-Afl):** My Lords, the country is at a standstill due to Covid-19. The real heroes are the doctors, nurses, bus and train drivers, the fire department and the police, who are putting their lives on the line so that we can be safely isolated. However, we should not forget the silent objects, such as churches, cathedrals and art galleries, which need attention. The noble Lord, Lord Cormack, pointed out some time ago in your Lordships' House that bats live in the lofts of these sacred buildings; their droppings fall on the floor and sometimes on the cathedrals' sacred objects. Unless these droppings are removed immediately, they could permanently damage these churches. Will the Minister ensure that the Government allocate funding to these important churches and cathedrals for cleaners with the skills to clean these heritage buildings?

**The Deputy Speaker (Baroness Newlove) (Con):** Lord Griffiths of Burry Port? I am afraid that we will have to go on to the next speaker, the noble Baroness, Lady Randerson.

4.33 pm

**Baroness Randerson (LD):** Almost two decades ago, when I was Minister for Culture in Wales, we successfully introduced free entry to museums. Some time later, England followed our lead. This has opened up many museums to all—a big social change. UK museums have an international reputation for excellence and accessibility. Government money will be very tight in future and it will be tempting to cut the culture budget. Understandably, in the public mind, money for theatres does not win against money for operating theatres. I urge the Government not to fall into the trap of abandoning free entry or cutting support for museums. They need more, not less. They are good for education, our mental health and tourism. We will need them more than ever.

**The Deputy Speaker:** I shall try calling again the noble Lords, Lord Griffiths of Burry Port and Lord Wei. They are not here.

4.34 pm

**Baroness Bull (CB):** My Lords, museums and galleries depend for their success on an army of freelancers and SMEs providing specialist services on a project-by-project basis. These are the people who bring collections to life, and yet their livelihoods are facing decimation as a result of this pandemic. Many had all of their work cancelled overnight but have discovered that they fall between the gap of government support schemes, often because they are part self-employed and part PAYE, or because they operate through personal service companies.

The cultural sector is a complex ecology with symbiotic interdependencies between buildings-based institutions such as museums, smaller organisations, a workforce that is 47% self-employed, and a vast number of creative businesses, 95% of which employ fewer than 10 people. Given this, will the Minister press her DCMS colleagues to ensure that the diversity of the sector is better reflected in the make-up of the Cultural Renewal Taskforce which was announced yesterday? People with experience at the established and large-scale end of the sector can, I am sure, speak for the interests of those at the smaller-scale and more flexible end, but is there a reason why they cannot be around the table in person to speak for themselves?

4.35 pm

**Baroness Quin (Lab):** My Lords, I thank the noble Lord, Lord Cormack, for initiating this debate, and I endorse the concerns which have just been expressed by the noble Baroness, Lady Bull, about freelancers and others who are being particularly hard hit. I declare my interest as chair of the board of Tyne & Wear Archives & Museums.

I would like to point out that our North East Culture Partnership has already drafted a cultural strategy as part of our wider regional economic recovery plan. One idea put forward is that of a challenge fund for those regions which have been hardest hit by Covid-19, to encourage new ways of connecting with our communities and the public over the coming year, which is going to be so crucial. I cannot expect the Minister to reply in detail to this and other proposals in the strategy, but I shall write to her and to her department in more detail.

4.36 pm

**Lord Truscott (Ind Lab):** My Lords, I too thank the noble Lord, Lord Cormack, for securing this debate. Many of our historic buildings are also theatres, and the creative industries contribute £77 billion to our economy, and the contribution of the performing arts is around £5.5 billion. Our theatres are among the best in the world and attract international audiences. However, more than 70% of all venues will run out of money by the end of this year. Her Majesty's Government need to find alternatives to social distancing to enable our theatres to survive Covid-19. These could include dispersed seating arrangements and the widespread wearing of masks. Will the Minister look urgently at what can be done to support our theatres?

4.37 pm

**Lord Shutt of Greetland (LD):** My Lords, I declare my interest as a member of the All-Party Parliamentary Group on Heritage Railways. Heritage railways embrace getting on for 200 moving museums and are normally enjoyed by 13 million visitors each year. They are supported by 4,000 employees and 22,000 volunteers. They rely on earning enough money from visitor journeys and providing catering services through the summer to have the resources they need to spend on repairs and enhancement during the winter. There is now serious doubt about whether there can be any operations this summer, with social distancing being a particular challenge. They are worried that they are in the middle of a time which appears to be three winters

[LORD SHUTT OF GREETLAND]  
in a row. In her reply, can the Minister say what specific measures can be made available to assist heritage railways through this famine, so that they will still be here to be enjoyed in the future?

4.38 pm

**Lord Russell of Liverpool (CB):** My Lords, I declare an interest as a trustee of the Foundling Museum. I have three brief questions for the Minister. First, does she recognise that those arts organisations which have been the most successful at running themselves with little or no state support are, ironically, the organisations most at risk as a result of their income having come to a near standstill? They will thrive after this hiatus, and again they will require little or no support from the state, but in the interim their very survival is at risk. Are the Government confident that they are on top of the situation? I would like to put on the record my thanks to Arts Council England for yesterday providing a very welcome grant to help the Foundling Museum.

Secondly, can the Government, working with the Charity Commission, give crystal clear guidance about how to approach the use of often limited financial reserves in order not to breach charity law and governance guidelines in these exceptional circumstances?

Lastly, will the Government provide clear guidelines and recommendations on how museums can reopen in such a way that staff—including volunteers—and visitors can feel confident to proceed?

4.39 pm

**Baroness Andrews (Lab):** My Lords, I am very grateful to the noble Lord, Lord Cormack, for this debate and for the way he introduced it. This pandemic has dramatically exposed the fragile and precarious state of the culture and heritage sector. It is ironic that in recent years museums and heritage sites have done exactly what the Government asked them to do and boosted their commercial income, and that has made them even more vulnerable. The arts and heritage agencies have stepped up very resourcefully. I declare an interest as the deputy chair of the National Lottery Heritage Fund, which has £50 million of emergency funding, but the problem is that, faced with massive cuts in in-year income and unless there is strategic support available, the whole sector is facing irreparable loss of people and places. We urgently need an investment plan from DCMS for future resilience as well as for recovery, driven by active partnership and consistent guidance for the whole sector—from craft apprentices to national organisations. Will the Minister tell us today what timetable the cultural renewal task force is working to and when the funding and support package will be available?

4.41 pm

**Baroness Rawlings (Con):** My Lords, the plight of museums and galleries has been spoken to eloquently by previous speakers. I will concentrate on the inconsistencies regarding restrictions on historic buildings and gardens, as mentioned by my noble friend Lord Crathorne and the noble Baroness, Lady Benjamin. To survive, they need to raise money. Their dedicated owners receive

no government aid, yet they are penalised by these new laws stuffed with anomalies. For example, ticketed outdoor leisure venues must remain closed. Why? Gardens which may not be listed but are normally open to the public should surely be allowed to open, not only for their beauty but for people's sanity, especially after their having been cooped up for months. The PM rightly said on Monday that British people will use their common sense. Will the Minister urge the Government to use their common sense too?

4.42 pm

**Baroness Kennedy of Cradley (Lab):** My Lords, we are at risk of our cultural and heritage sector being completely decimated and of losing not just small, local and regional attractions but many iconic, internationally recognised museums, historic buildings and theatres. Many are wholly reliant on ticket revenue. They have very few reserves. The ticket revenue they rely on comes from international tourism as much as from domestic tourism. Has the 14-day quarantine policy for airline passengers been assessed for its impact on the tourism industry and for how it will affect the viability of our visitor attractions and therefore the wider economy?

4.43 pm

**Lord Green of Hurstpierpoint (Non-Affl):** My Lords, I declare an interest as chair of the Natural History Museum. I want to stress the vital importance of our natural history and botanical collections and our zoological expertise to the national and global ability to confront the most important common challenges of our age. There are more than 130 million natural history specimens in the UK. The Natural History Museum alone houses more than 80 million, the broadest and deepest collection in world, and a further 11 museums around the country have collections of more than 1 million specimens each. In addition, there are scientifically valuable collections in dozens of other accredited bodies in every region of the country. Combined with the living collections in botanical and zoological gardens, these collections are a vital component of the UK science infrastructure. They provide the means by which we can understand and address climate change, biodiversity loss, food security and, indeed, zoonotic diseases such as Covid-19, so it has never been more important than it is now to ensure that we nurture, support and make fullest use of this extraordinary database. These collections are about our future, not just the past.

4.44 pm

**The Earl of Sandwich (CB):** My Lords, I join the noble Lord, Lord Crathorne, in championing heritage gardens. My family looks after gardens in west Dorset which are registered as two-star by English Heritage. They are normally open to the public. We employ a very small staff and subsidise the gardens through visitors, sales of plants and plant fairs, none of which has been possible for the past two months. Everyone knows that gardens soak up money and run at a loss, and we have been watering hundreds of plants for hours daily to keep them alive. I should be out there doing that now.

The crunch time is fast approaching when owners have to plan for the coming year. Do we have to lay off gardeners during the winter when no income comes in, or can the Government extend their furlough scheme to include gardens? The RHS, the National Trust, Kew and others say that there should be at least a trial period of treating gardens in the same way as garden centres. The Minister knows that gardens are also beneficial to health and mental health, so could she please press the case in government?

4.45 pm

**Baroness Bakewell of Hardington Mandeville (LD):**

My Lords, we have heard contributions highlighting large iconic gardens and buildings. I will focus very briefly on the plight of the small, private galleries. Many support emerging artists and are the means by which the cultural community ensures innovation and flair, which are so vital to a varied artistic society.

It is important that such artists are supported, and a wide range of galleries should be able to flourish for this to happen. It is rare, but not unknown, for those working in this sector to receive grant funding, but for the majority that are not on the wider cultural radar the impact of the current Covid-19 crisis is likely to be devastating.

I am sure the Minister will agree that the country needs variety to feed its cultural and artistic heritage. We will all be the poorer if emerging artists have nowhere to exhibit their art and find that they have to abandon their talent to eat. Can the Minister say what the Government are doing to support this vital sector?

4.46 pm

**Lord McNicol of West Kilbride (Lab):** My Lords, Britain's heritage sites such as museums and galleries are part of what makes our diverse culture so rich. As many noble Lords have said, it is essential that these organisations not just remain open but survive and thrive into the future. Covid-19 has left many of them at severe risk. Some heritage organisations have seen an 80% to 90% decrease in their non grant-based income. We are all aware of the reasons. The loss of peak season, where some organisations make up 70% of their annual turnover, as well as many members requesting refunds on their annual membership, are making things worse. Heritage sites still have huge costs to maintain, despite being closed.

Since many heritage sites are run by local authorities, the Government should continue to demonstrate that they will meet the extra costs and loss of income from local authorities, especially regarding their in-house museums and galleries. I urge the Minister to look at the response to and support for local authorities.

4.47 pm

**Lord Holmes of Richmond (Con):** My Lords, we have marvellous museums, gorgeous galleries and handsome historic buildings across the length and breadth of the United Kingdom. For the record, my favourite is the National Portrait Gallery, which has a clear remit and fabulous themes and has created excellent audio description, taking blind and visually impaired people right into the pictures. For that, I say a personal thank you that is echoed to all other institutions that take inclusion so seriously.

I have questions for my noble friend the Minister. First, is it time to reconsider the free-of-charge nature of our museums and galleries, not least potentially for international visitors? Would she consider a review of free admission and the very funding of all these institutions? I echo what has been said about open spaces and could not agree more. Let us get Victoria, Elizabeth and Lion gates at Kew Gardens thrown open and the public back into those spaces. Finally, when will churches and places of worship reopen? They can provide such comfort and support in these truly difficult times.

4.49 pm

**Baroness Altmann (Con):** I thank my noble friend Lord Cormack for securing this debate and his excellent introduction. Our precious museums, galleries and historic buildings have suffered a perfect storm as income disappears and volunteers and visitors stay away but costs continue. Yet these places can help with recovery from the current crisis by bringing benefits to national mental well-being with relaxing, peaceful, unpressured but stimulating environments.

I fear that the impact from lockdown may continue even after relaxation. Local authorities spend more than £1 billion on this sector. This is now at risk in light of the extra costs of providing other vital local services such as social care during this pandemic and in the future. These cultural spaces cannot rely on long-term council support. I echo the calls for Treasury help, including removing VAT on restoration costs and encouraging philanthropy and private charitable or business donations to be offered for a long-term period.

4.50 pm

**The Earl of Clancarty (CB):** Museums and the arts more generally are in an extremely precarious position financially. After 10 years of cuts, including to local authorities, the reserve tanks are close to empty. Theatre producer Sonia Friedman, writing in the *Telegraph* today, says that 70% of performing arts companies will fold unless the Government intervene. Small private museums are among those particularly exposed without income from ticket revenue. Arts and heritage urgently need the kind of emergency large-scale rescue package of new money that Germany rapidly put in place. Museums and other venues were the first to close and will be the last to fully open. We must extend furloughing and self-employed schemes, but still lack one for those who pay themselves through dividends, including museum freelancers such as conservators.

On a different note, I suggest to the Minister that, when museums open, if access is to be limited, the first people to visit should be schoolchildren. They would have a wonderful memory of visiting museums without adults being allowed to do so. It could be the Year of the Children's Museums.

4.51 pm

**Baroness Healy of Primrose Hill (Lab):** My Lords, lockdown has taught us what is important in life and how to treasure what makes it worthwhile. Many find solace in culture, the arts, literature, music, drama and sport, but we are all missing sharing these events in our communities, where people can come together to enjoy.

[BARONESS HEALY OF PRIMROSE HILL]

Today, we meet here online, thanks to the noble Lord, Lord Cormack, and I hope we can spend our leisure time enjoying the wonderful events being streamed by so many arts organisations during lockdown. But think of those millions who cannot access the internet and must wait for their local museums, galleries and places of historic interest to reopen, so many of which are funded by local councils, spending more than £1 billion on sustaining these discretionary services. The Local Government Association is calling for the essential emergency schemes to continue past the immediate crisis so that their communities can once again enjoy what makes life worth living.

4.52 pm

**Lord Duncan of Springbank (Con):** My Lords, this is a worthy debate. I want to speak very briefly about dinosaurs. A number of noble Lords will be aware that Crystal Palace park is awash with dinosaurs created in the 1850s as part of the Great Exhibition. They are the earliest reconstructions of dinosaurs and they are now sadly showing their age. They are losing their teeth, their tails and their toes. Restoration would cost around £800,000, which is a very small amount to restore what are, indeed, world-beating dinosaurs. Noble Lords have so far spoken about the importance of the removal of VAT: I think that would be a very useful thing to commit to right now. I would be very grateful if the Minister would give some thought to whether the Government could offer support to the restoration of these dinosaurs. They are not only the oldest replica dinosaurs in the world but are, indeed, the only example of that era and they deserve serious protection.

4.54 pm

**Lord Harries of Pentregarth (CB):** My Lords, I shall say something from the standpoint of smaller galleries and museums in my role as patron of the Stanley Spencer Gallery in Cookham. There is a good story to tell about this little gallery: support has been given by the local council, Windsor and Maidenhead, and I understand that councils in other parts of the country are doing this, or at least some of them are. In addition, the South East Arts Council has given a grant to cover the extra cost that opening up will entail, with the cost of PPE, cleaning materials, screens and so on. So tribute needs to be paid to local councils and arts councils, which are doing what they can.

I have a particular concern about the longer-term effects of the virus on our major museums and galleries. Smaller galleries depend on a large number of volunteers, but major ones have literally astronomical ongoing staff costs. With the big reduction in the number of visitors that there will be bound to be on reopening, their income will be significantly less for the foreseeable future. The support the Government have offered in the short term is, of course, both essential and welcome, but what longer-term plans do the Government have in mind for these major institutions when reopening is possible but income will be greatly reduced for some time?

4.55 pm

**Lord Liddle (Lab):** My Lords, this debate goes to the heart of what we are as a country. The arts and cultural heritage sectors are in a deep existential crisis,

and something has to be done. It is important to recognise that this crisis will not end with the end of lockdown. It will continue because of the need for social distancing, which has such a devastating impact on the commercial revenues of galleries and heritage sites. My particular concern is local museums such as the Tullie House Museum in my native Carlisle, of which my wife is a trustee, which depend for their core income on local authority grants. My proposal is that the Government give serious consideration to a ring-fenced grant to local authorities to sustain the cultural institutions that are at the heart of our local communities.

4.56 pm

**Baroness Eaton (Con):** I declare an interest as a member of the advisory board of the National Science and Media Museum. The Covid crisis has highlighted the inequality that still exists in digital access. In Bradford, 31% of families do not have access to the internet. The National Science and Media Museum in Bradford has taken a creative and pragmatic approach to the challenge of serving its local communities by working with the local press to share inspiring online learning resources and activities to support the work of schools. Perhaps even more importantly, it has worked with the council and schools to produce and distribute 27,000 activity learning resource sheets to schools and families in areas where it knows that digital access is poor. When our museums reopen, they will need financial support to enable them to play a huge role in bringing our communities back together.

4.57 pm

**Lord Houghton of Richmond (CB):** My Lords, I declare my interests as a trustee of both Historic War Palaces and Royal Armouries. I have two points to raise. The first is to add my name to the many who question the anomaly of the Government permitting, even encouraging, leisure access to public parkland while denying ticketed access to heritage parkland and gardens, such as Hampton Court and Hillsborough Castle, thereby denying an important source of both charity income and public pleasure.

Secondly, I reinforce the point that many of our most prestigious heritage sites—for example, the Tower of London—rest primarily on international tourism for customers and, therefore, revenue. Such tourism is not likely to return to normal levels before 2022. Should the Government therefore not perhaps reconsider the wisdom of dedicating significant sums of money in 2022 to a Brexit festival, and instead spend it on events that are more likely to be significant attractors of inward tourism, such as the Platinum Jubilee, the Commonwealth Games, the Edinburgh Festival Fringe and even perhaps the 100th anniversary of the BBC?

4.59 pm

**Lord Baker of Dorking (Con):** My Lords, this has been an absolutely fascinating and well-informed debate. I say, “Well done, Patrick.” I am the vice-chairman of the Cartoon Museum in London, which has now survived for 20 or 30 years without a penny of government or local authority money. We exist by our wits and the income we get at the door and from what we sell in the shop. We think our income will not recover until spring,

summer or autumn of next year, and school visits will not really be a feature for a very long time indeed—we will be up against it.

There are other small museums like ours—such as the Charles Dickens Museum and the Design Museum, which the noble Lord, Lord Mandelson, mentioned—that will be really hard pressed next year and that hitherto the Government have never directly supported. I think they will have to directly support small museums next year, because they add to the culture. The culture that we specialise in is cartooning—an art form that we invented in the 18th century and are very strong at. We are the museum of laughter, but we need some additional help, as do other small cultural museums. I very much hope that there will be a clear commitment by the Government that they will get that support.

**The Deputy Speaker:** My Lords, we will try again for the noble Lord, Lord Griffiths of Burry Port.

5 pm

**Lord Griffiths of Burry Port (Lab):** My Lords, I hope I am being heard. Many practical proposals have been made and many urgent needs expressed. I want to raise a more general point. We have been concentrating, quite properly, on health—physical, mental and social—over these last weeks. We are in the middle of a heated discussion about the place of schools in the way we recover from this lockdown and its attendant circumstances. I want the Minister to assure me that she will go into the Cabinet room with her colleagues and fly a flag to ensure that the cultural, social and sporting aspects of human life will be seen as integral, alongside economic and other factors, in the recovery that we all long for. We cannot allow this to be deprioritised, marginalised and minimised. This is part of the health of the nation, and we want a Minister to champion the cause.

5.01 pm

**Baroness Doocey (LD):** My Lords, weddings in historic buildings provide an income stream that helps to pay the repair bill. The closure of these wedding venues therefore represents a heritage protection crisis as much as an economic crisis. There are three ways in which the Government can help. First, allow couples planning a wedding to be shown the facilities, which will enable historic buildings to start securing bookings again and help their cash flow. If estate agents can show people around houses, surely historic buildings can show wedding venues?

Secondly, allow weddings to resume, subject to restrictions of course: limiting capacity, pre-vetting and contact tracking—whatever is required.

Thirdly, as a pilot, allow weddings to take place outside, without the need for a permanent structure, as proposed by the Law Commission. The Government need urgently to remove the risk to this £10 billion a year industry by allowing wedding venues to open in June rather than July.

5.02 pm

**Lord Stevenson of Balmacara (Lab):** My Lords, we are all grateful to the noble Lord, Lord Cormack, for securing this debate and generating a wonderful speakers' list, which has covered the ground and made the case

for urgent government action. As we have heard, it is important to ensure that all aspects of the sector have scope to follow any of the plans that come forward. The Design Museum is as important as the cathedrals; the small museums, galleries and other spaces are as important as the big ones.

It is also important to hear the case for what a vibrant sector can contribute to the economy, to society, to education and to well-being. The call for action is persuasive: the sector needs emergency public funding over an extended period, with a simple application process and no bureaucracy. The hardest hit are institutions that raise the greatest proportion of income and they will also need cash and support, and certainty of this through the next—quite considerable—period.

Also hard hit and in need of special attention are the institutions that rely on tourism or have very sharp seasonal openings. These also need to be given a special place. We also need real concern for local councils, which have had a double whammy. Their direct provision needs supporting, and they are losing income from associated activity in their areas. The department has a lot to do, it needs to work and it must not be outsmarted by the Germans.

5.03 pm

**The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Baroness Barran) (Con):** I join other noble Lords in thanking my noble friend Lord Cormack for securing this important and fascinating debate. It has highlighted the breadth and vibrancy of the UK's museum and heritage sectors, and their diversity, referred to by the noble Lords, Lord Mandelson, Lord Janvrin, Lord Truscott and Lord Shutt, the noble Baroness, Lady Scott of Needham Market, my noble friend Lord Holmes, and the noble and right reverend Lord, Lord Harries. These are areas of which we are all rightly proud, but your Lordships' speeches also highlighted the complexity of this sector. Our cultural institutions, large and small, have played a critical part in conservation, education—as the noble Lord, Lord Green of Hurstpierpoint, highlighted—and, crucially, the well-being of our citizens, as put eloquently by the noble Lords, Lord Griffiths of Burry Port and Lord Low of Dalston.

Even though the physical sites have been closed, our great museum and heritage sectors have continued to play important community roles, bringing people together for learning, enjoyment and inspiration. During World War II the National Gallery was open for lunchtime concerts, even though the collection had been taken to Wales for safe keeping. Today it is providing lessons online for schoolchildren and giving us all the opportunity to study paintings from the collection. I say “all” although, as the noble Baroness, Lady Healy, and my noble friend Lady Eaton highlighted, it is of course not all for those who do not have access to the internet. The noble Baroness, Lady Bennett, also highlighted the importance of this.

So whether it is the Royal Academy's daily doodle, this week's resources from English Heritage about Dunkirk, the #MuseumsUnlocked hashtag or the opportunity to curate one's own collection through Art UK, the sector has shown extraordinary agility in

[BARONESS BARRAN]

responding to the unprecedented challenges of Covid-19, and I thank the noble Lord, Lord Faulkner, for remarking on this. I am sure all noble Lords share my hope that this will encourage a new generation to feel interested and confident in exploring the arts in future.

I acknowledge the generosity of lenders and artists who have extended their loans so that at some point we can enjoy them all in person. However, as we have heard, although the opportunities that the digital world can create are extraordinary, they do not replace the physical world and the opportunity to visit our institutions in person.

We also know, as outlined by the noble Lords, Lord Little and Lord McNicol, my noble friend Lord Kirkham, the noble Baronesses, Lady Kennedy of Cradley and Lady Bakewell of Hardington Mandeville, and of course my noble friend Lord Cormack, that these sectors have been hit particularly hard by Covid-19 and some face immediate risks to their viability. Ironically, it is those that have been the most entrepreneurial in generating commercial income—whether through events, as highlighted by the noble Earl, Lord Devon, through expanding membership, as explained by the noble Lord, Lord German, or in other ways, as highlighted by the noble Earl, Lord Liverpool, and the noble Baroness, Lady Andrews—that are being hit particularly hard. So, while our immediate national priority is containing the spread of the virus, as soon as it is safe to do so we will be encouraging people to visit these attractions once again.

On 11 May the Government published the road map setting out how we expect organisations such as museums, galleries and historic sites to open back up and welcome visitors again. Noble Lords asked a number of detailed questions about the timing and process for this and how it will work in practice. I think those are best answered in writing, so I will send noble Lords a letter, which I will also place in the Library, and I will discuss the points that they have raised with colleagues in the department.

Supporting the cultural and heritage sector falls into three parts. First, Ministers and officials have been liaising closely with leaders and sector bodies to understand the full impact of the pandemic. My department always works closely with its arm's-length bodies, both public-facing institutions and funding bodies, and we work closely with organisations that represent museums and heritage and the professionals who work in them.

Since the beginning of the Covid-19 crisis, this engagement has been stepped up considerably to understand the impact of the pandemic and the measures that the Government have taken to fight it. While I hear the concerns of the National Trust, I stress that Ministers and officials are focused on this engagement and on understanding exactly what support museums and heritage organisations need, and how best to get it to them.

Beyond communication, the second plank of our approach is to offer financial support to the sector. DCMS itself directly sponsors 15 museums and galleries, as well as seven heritage organisations. We will continue to protect this cultural heritage in a wide range of ways. We have created sector-specific support. Arts Council

England launched a £160 million emergency funding package, much of which is being or is about to be distributed as we speak. In response to a question from my noble friend Lady Hooper, this applies to regional national portfolio organisations, as well as those in London. Every effort is being made to get this funding out as quickly as possible.

The National Lottery Heritage Fund has launched the £50 million heritage emergency fund, and Historic England launched a £2 million emergency fund, which includes scope to support the expert crafts men and women to which noble Lords referred. That is over £200 million of emergency support especially for culture and heritage. This emergency short-term funding will help address pressures over the next three to six months for those organisations in most immediate need. Most recently, the National Lottery Heritage Fund also released a strategic interventions fund, with awards of up to £250,000 for the most important and at-risk institutions.

As your Lordships are aware, the Government have also announced unprecedented support for business and workers to protect them against the current economic emergency. This includes the Coronavirus Job Retention Scheme and VAT payment deferrals. The Chancellor also announced the Bounce Back Loan Scheme to help small businesses access loans of up to £50,000, with 100% government backing for lenders. The Government continue to monitor the impact of these and other measures, including those relating to self-employed people, as raised by the noble Baronesses, Lady Bull and Lady Quin.

We know that the job retention scheme, in particular, has been a real lifeline for these sectors, with the majority of organisations taking advantage of it. As noble Lords are aware, last week the Chancellor announced that the scheme would be extended to take it through to October. But the Government recognise that the museums and heritage sectors have a particular business model, which includes fixed costs for security and maintenance as referred to by the noble Lord, Lord Bhatia, and others. We are working hard to minimise the impact of this.

A number of noble Lords, including my noble friends Lord Kirkhope and Lady Altmann, and the noble Lord, Lord Janvrin, mentioned the role of philanthropy and asked what work the Government are doing in liaising with the Treasury and philanthropists. I reassure them that my honourable friend the Minister for Culture recently held a round table with foundations and philanthropists. We are actively exploring this area, as well as all the fiscal measures around VAT mentioned by the right reverend Prelate the Bishop of Portsmouth, and my noble friends Lord Cormack and Lord Duncan—although I cannot reassure the latter that this relates specifically to dinosaurs, as it is possibly broader. All these things are being actively explored.

A number of noble Lords, including the noble Earl, Lord Clancarty, and my noble friend Lord Baker of Dorking talked about the risk of particular museums being in serious financial difficulty. As a department, we are keen to hear about this and would encourage any museum or gallery to come forward as early as possible to talk to the relevant sector body.

A number of noble Lords raised the important issue of churches. Your Lordships will be aware that the Taylor review published in December 2017 presented a new model to try to ensure the continued sustainability of our churches, which are such an important part of our national heritage. This is being tested through a pilot scheme, the outcome of which will be published this summer.

The third plank of our approach, which the Secretary of State announced yesterday, is the establishment of a cultural renewal task force led by Neil Mendoza, who has also been appointed as cultural commissioner. The noble Lords, Lord Faulkner and Lord Wood, and the noble Baroness, Lady Bonham-Carter, challenged the Government about the scale of our ambition and the speed of our response. I hope that this gives a sense of the scale of it, and of the importance that we place on these sectors. On timing, the first meeting of the group will be tomorrow and, thereafter, on a weekly basis. A number of sub-groups are supporting this work; I will raise the points made by the noble Baroness, Lady Bull, in relation to them. Obviously, in the early stages, the task force will focus on ensuring that Covid-19 secure guidelines for our sectors are developed in a way that works for these sectors. In the longer term, it will also play a crucial role in supporting museums, galleries and the heritage sectors to emerge from this crisis and thrive in the way that we would all wish.

A number of noble Lords—the noble Baroness, Lady Benjamin, the noble Earl, Lord Devon, my noble friends Lady Rawlings and Lord Crathorne and the noble and gallant Lord, Lord Houghton—raised the issue of gardens and their opening, particularly those attached to historic houses. We are working very closely with the sector on that. We are aware of the issue and trying to progress it as quickly as we can.

Noble Lords have raised many important challenges in this short debate. I fear that I have not had time to do justice to them all, but I will aim to do so through a letter to your Lordships. Your Lordships have absolutely demonstrated the importance of our cultural institutions in our national life. The Government remain deeply committed to supporting their re-emergence from the pandemic, physically and digitally. We want to ensure that everyone, no matter their background or geographic location, can experience and enjoy our brilliant collections; and benefit from all that our national and regional culture, in all their diversity, can bring. As the famous collector Gertrude Stein once said:

“When in a museum, walk slowly but keep walking.”

I am sure that your Lordships will join me in looking forward to being back, not just in our museums, but in our galleries, gardens and historic buildings, as soon as it is safe to do so.

**The Deputy Speaker (Viscount Ullswater) (Con):** My Lords, our Virtual Proceedings are now adjourned until a convenient point after 5.45 pm.

5.19 pm

*Virtual Proceeding suspended.*

## Arrangement of Business Announcement

5.45 pm

*The announcement was made in a Virtual Proceeding via video call.*

**The Deputy Speaker (Viscount Ullswater) (Con):** My Lords, Virtual Proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege, and that what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute, and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. When Members have finished speaking, their microphone will again be set to mute. Please ensure questions and answers are short.

We now come to the Virtual Proceeding on the Statement. Please note that it has been agreed in the usual channels to dispense with the reading of the Statement itself, and we will proceed immediately to questions from the Opposition Front Bench.

## Northern Ireland Protocol Statement

*The following Statement was made on Wednesday 20 May in the House of Commons.*

“With permission, Mr Speaker, I will make a Statement on the Government's approach to implementing the Northern Ireland protocol as part of the withdrawal agreement with the European Union. The protocol exists to ensure that the progress that the people of Northern Ireland have made in the 22 years since the Belfast/Good Friday agreement is secured into the future. The Belfast agreement is built on the principle of consent. It was ratified by referendums in both Northern Ireland and Ireland, and the agreement is crystal clear that any change in the constitutional position of Northern Ireland within the United Kingdom can come only if the majority in Northern Ireland consent to any change.

The vital importance of consent is recognised in the provision for any alignment in the protocol to be disappplied if Northern Ireland's political representatives conclude that it is no longer desirable. Embedding that recognition of consent in the protocol was intrinsic to its acceptance by the Government. Therefore, for the protocol to work, it must respect the needs of all Northern Ireland's people, respect the fact that Northern Ireland is an integral part of the customs territory of the UK, and respect the need to bear as lightly as possible on the everyday life of Northern Ireland.

Although there will be some new administrative requirements in the protocol, these electronic processes will be streamlined and simplified to the maximum extent. As the European Commissioner's own negotiator, Michel Barnier, has spelled out, the protocol's procedures must be as easy as possible and not too burdensome, particularly for smaller businesses. As is so often the case—but not always—Monsieur Barnier is right. The economy of Northern Ireland is heavily dependent on small and medium-sized enterprises. Subjecting traders to unnecessary and disproportionate burdens, particularly

[VISCOUNT ULLSWATER]

as we wrestle with the economic consequences of Covid-19, would not serve the interests of the people of Northern Ireland, for whom the protocol was designed. The protocol text itself is explicit that implementation should impact as little as possible on the everyday life of communities.

In that context, it is important for us all to recall that the clear majority of Northern Ireland's trade is with the rest of the United Kingdom, so safeguarding the free flow of goods within the UK's internal market is of critical importance to Northern Ireland's economy and people.

Today, we are publishing a Command Paper that outlines how the protocol can be implemented in a way that would protect the interests of the people and the economy of Northern Ireland, ensure the effective working of the UK's internal market, and also provide appropriate protection for the EU single market, as well as upholding the rights of all Northern Ireland's citizens. Delivering on these proposals will require close working with the Northern Ireland Executive, underscoring once again the significance of the restoration of the Stormont institutions in January. I would like to put on record my gratitude for the constructive approach that has been shown by Northern Ireland politicians, including by the First Minister and Deputy First Minister, as well as by honourable Members from across this House.

There are four steps we will take to ensure that the protocol is implemented effectively. First, we will deliver unfettered access for Northern Ireland producers to the whole of the UK market. Northern Ireland to Great Britain goods movements should take place as they do now. There should not be export declarations or any other processes as goods leave Northern Ireland for Great Britain, and we will deliver on unfettered access for Northern Ireland goods through legislation by the end of this year.

Secondly, we will ensure that there are no tariffs on goods remaining within the UK customs territory. In order to ensure that internal UK trade qualifies for tariff-free status, there will need to be declarations on goods as they move from Great Britain to Northern Ireland, but these systems will be electronic and administered by UK authorities. It will be for our authorities to determine any processes that are required, using the latest technology, risk and compliance techniques, to keep these to an absolute minimum.

That will also allow us to deliver on our third key proposal, which is that implementation of the protocol will not involve new customs infrastructure. We acknowledge, however, as we have always done, that on agri-food and live animal movements it makes sense to protect supply chains and the disease-free status of the island of Ireland, as has been the case since the 19th century. That will mean some expansion of existing infrastructure to provide for some additional new processes for the agriculture and food sector, but these processes will build on what already happens at ports such as Larne and Belfast, and we will work with the EU to keep these checks to a minimum, reflecting the high standards we see right across the UK. There is no such case, however, for new customs infrastructure, and as such there will not be any.

Fourthly, we will guarantee that Northern Ireland businesses will benefit from the lower tariffs that we deliver through new free trade agreements with third countries. This ensures that Northern Ireland businesses will be able to enjoy the full benefits of the unique access that they have to the UK and EU markets.

These four commitments will ensure that, as we implement the protocol, we give full effect to the requirements in its text to recognise Northern Ireland's place in the UK and in its customs territory. As we take the work of implementation forward, we will continue to work closely with the First Minister and the Deputy First Minister, with Northern Ireland MPs from across parties, and with the business community and farming groups that have provided such valuable feedback for our approach.

Of course, we have already guaranteed in the New Decade, New Approach deal that the Northern Ireland Executive have a seat at the table in any meeting where Northern Ireland is being discussed and the Irish Government are present. Alongside that, there will be a new business engagement forum to exchange proposals, concerns and feedback from across the community on how best to maximise the free flow of trade, and we will ensure that those discussions sit at the heart of our thinking.

We recognise that there will be a wide range of voices and responses to our Command Paper. We will listen to these respectfully while we continue to put our own case with conviction at the joint committee. Our approach will of course continue to be informed by extensive engagement with businesses, politicians and individuals right across communities in Northern Ireland. We stand ready to work with the EU in a spirit of collaboration and co-operation, so that a positive new chapter can open for Northern Ireland and its people, in every community. It is in that spirit that I commend this Statement to the House."

*The Statement was considered in a Virtual Proceeding via video call.*

5.46 pm

**Baroness Hayter of Kentish Town (Lab):** My Lords, I start by making one correction to what the Minister said yesterday. His allegation was that I was

"always critical of the role of Mr David Frost".—[*Official Report*, 20/5/20; col. 1182.]

I was critical of the apparent lack of ministerial sign-off on major statements; of a key letter being signed by a "Sherpa"—as he calls himself—rather than by a Minister; and of the inability of parliamentarians to question our EU negotiator.

Today's Statement, by contrast, is the long-awaited admission by Ministers that the Northern Ireland arrangements will indeed involve border checks between Great Britain and Northern Ireland, with additional checks, declarations on goods moving from Great Britain into Northern Ireland, and tariffs on goods at risk of entering the EU single market.

Nevertheless, the Command Paper leaves many questions unanswered. We had thought that the EU was expecting the UK to levy duties on all goods going to Northern Ireland, unless it could be established

that they were not at risk, with the 70% on goods staying in Northern Ireland then being reclaimed. Can the Minister tell the House whether the EU now accepts the approach in the Government's paper, that duties would be levied only on goods which pose a "clear and substantial risk" of entering the single market? Can he also explain how

"goods at risk of entering the EU's Single Market"

will be decided? Perhaps he can reassure us that the paper's promise to

"produce full guidance to business and third parties before the end of the transition period"

is simply a typo, and that such guidance will be available in time to become operational by 1 January?

With goods from Northern Ireland to Great Britain, the paper implies a very light touch. However, Welsh ports will be required to have additional infrastructure to make customs and regulatory checks—some "expansion" of infrastructure, in the words of the Statement—but without proper consultation with Wales, and perhaps not with Scotland, about arrangements which would need to be in operation by the end of the year.

Can the Minister also explain how, in practice, there will not be significant flows of goods from the EU single market into Great Britain through the backdoor of Northern Ireland, especially if, under either a deal or no deal, there are tariffs on goods coming from the EU into Great Britain—such as from France and Benelux—but not from Northern Ireland to Great Britain?

Talk, of course, in the paper of "light-touch" checks and the "latest technology", neither of which exist other than on paper, naturally raises concerns. After all, we do not seem to have been able to create a rather simple track-and-trace app after 10 weeks of the virus, while "light-touch" seems to include an export summary declaration, with 45 entries for every consignment. Therefore, can the Minister outline what discussions have been held with importers and exporters, and tell us what confidence he has that business, and government checkers, will be ready for this in time?

Turning to how the Command Paper was drafted, we have been given to understand that the Northern Ireland Executive were not involved in its preparation. Is that the case? The other devolved authorities were similarly excluded, despite the impact on their ports and points of arrival, and on their hopes for an internal single UK market. As the Minister knows, we do not have a Welsh, Scottish or Northern Ireland Minister in this House. Does that reflect the low priority given to these areas, even as major policy decisions affecting them greatly are being taken? The absence of territorial Ministers in our House certainly makes scrutiny of their departments somewhat more challenging, even if today's Statement clearly falls to the Cabinet Office.

For all the effects of Brexit, Ireland is surely the most sensitive and most important issue, not simply for trade but for how the people of Northern Ireland feel about themselves and for the vital importance of retaining all the benefits of the Good Friday agreement. On this, I am sure, the Minister and I will be in total agreement. Therefore, my plea today is for Ministers to talk more to politicians and businesses, and indeed

to civil society in Northern Ireland, as well as in Scotland and Wales, to ensure that all parties have confidence in how we move forward with the protocol.

**Lord Bruce of Bennachie (LD):** My Lords, given the duplicity of the Government, the Northern Ireland protocol has all the semblance of damaged goods. In particular, the repeated denial that it would involve the need for any new UK customs declaration or checks is revealed as the hollow sham that it always was.

In his Statement yesterday, Michael Gove tried to play this down, but the White Paper cannot be gainsaid. It says that

"there will be some limited additional process on goods arriving in Northern Ireland ... There will be no new physical customs infrastructure ... We will however expand some existing entry points for agrifood goods to provide for proportionate additional controls."

It also says in relation to

"Belfast Port, Belfast International Airport, Belfast City Airport and Warrenpoint Port"

that:

"Expanded infrastructure will be needed at some of these sites for the purpose of agri-food checks and assurance ... we expect to request additional categories of commodities at Belfast Port, and to designate Larne Port for live animal imports ... further designations may also be required at other existing sites."

This is a clear change of a radical nature. What costs and delays does the Minister expect it to cause? It cannot be done without time being taken to deal with these matters.

The Government choose to refer to the withdrawal agreement as a "deal" when it is no such thing; it is an agreement on the terms of withdrawal. When it suits, they choose to rely on the political declaration, although this is only a declaration of intent and needs to be judged against the backdrop of the Government preparing for a no-deal Brexit and, frankly, blaming the EU for it.

The Government also seek to present the protocol as temporary, dependent only on a vote of the Northern Ireland elected representatives to abandon it after 2024. In reality, it puts Northern Ireland in the unique position of effectively remaining in the EU single market and the UK customs union—a privilege which many businesses in Great Britain would no doubt love to have. Again, the Government seek to downplay the importance of cross-border trade to the Province, yet it is worth over £5 billion and for some businesses may be their chief revenue and profit earner.

If they import components from the UK and process them before exporting to the Republic, they will be liable to tariffs. This will present them with a clear difficulty. It will involve extra bureaucracy and require them to fill out import and export forms and train and possibly recruit extra staff and maybe use agents. All this will add substantial costs. The White Paper says that HMRC will provide help and guidance to businesses, but this is to help deal with a situation they currently do not face. This will come at a cost, so will the Government cover that cost?

The Government make great play of the benefit of lower tariffs that they hope to negotiate at some unspecified future date. Of course, while I appreciate the benefits of free trade, if this comes at the expense

[LORD BRUCE OF BENNACHIE]  
of tariff barriers with the EU, the net benefit may be at best limited and possibly negative. It may also be that we accept imported goods of lower standards, such as food products from the United States. This could compromise domestic producers in Northern Ireland. It is not a one-way street.

Depending on what agreement is reached with the EU, the dynamics of trade between the Republic, Northern Ireland and Great Britain could change. This would make issues of customs controls much more live. An incentive for Northern Ireland to become the bridge between the EU single market and the rest of the UK would clearly require more transparent customs controls, especially if there were divergence on tariffs and regulations.

The Government's refusal in this context to consider an EU presence in Belfast raises questions of trust. Trust will be achieved if there is a comprehensive and mutually beneficial free trade deal. If there is a hard or no-deal Brexit, it is hardly surprising that the EU and the UK will look at each other with suspicion. There are many more questions than answers from this White Paper. As it stands, it does little to build trust with either the EU, the Republic or the business community of Northern Ireland. I hope the Minister can reassure all those bodies that it is being pursued in good faith and is entirely consistent with both the spirit and the letter of the agreement the Government signed with the EU.

**The Minister of State, Cabinet Office (Lord True) (Con):** I thank both noble Lords. I had noted down to say that the noble Lord, Lord Bruce, had always been constructive in his responses, but I was a bit disappointed when he opened by accusing the Government of duplicity. The Government have been clear from the start that they will stand by their obligations under the protocol. The fundamental issue here is that the protocol exists to ensure that the progress the people of Northern Ireland have made in the 22 years since the Good Friday Agreement, which we all support, is safeguarded and maintained. That means, as both contributors from the Front Benches opposite acknowledged, that this matter must be dealt with delicately, recognising the interests of both groupings within Northern Ireland and addressing both the lawful and reasonable desire of the European Union to protect the single market and the UK's requirement to protect our own internal market and the inalienable place of Northern Ireland as part of the UK customs territory.

I will try to answer some of the questions raised. I do not want to be diverted by the role of the outstanding Sherpa, Mr Frost. I repeat my comment about the criticism made by the noble Baroness, Lady Hayter, of his role, which she acknowledged and repeated today. Mr Frost is the appointed representative of the Prime Minister in these negotiations. I understand that he will come with the Chancellor of the Duchy of Lancaster next week to give evidence and be accountable to your Lordships' House.

I think it would be fair to say, diplomatically, that the response was not entirely enthusiastic from the parties opposite. The noble Baroness spoke about border checks. We are in the business not of border

checks, but of light-touch administrative arrangements that will enable and facilitate trade. It is in the interests of both parties in this negotiation. It is a negotiation and discussion on how we will implement the protocol, not how we will renegotiate it. It is not in the interests of anybody to see a heavy-handed system. Indeed, Monsieur Barnier himself said that it is important that the procedures of the protocol should be as easy as possible and not too burdensome, in particular for smaller businesses. I agree with that and I am sure that noble Lords opposite do.

The noble Baroness rightly asked about business. Many businesses want clarity. I assure her that there have been extensive discussions and consultation with business, but as she will know, the Government are now moving forward as we go into this stage of discussion to establish a business engagement forum on the protocol. We will set out details shortly, but it is obviously important as it goes forward that we draw on the experience of businesses in sectors right across Northern Ireland. The interests of business are fundamental. Again, I hope that the European Union and the United Kingdom would agree in implementing this that the burdens on business should be as light as possible and that neither party should demand excessive burdens.

The noble Baroness asked about unfettered access. I assure her that there will be unfettered access. That is the objective and intention of Her Majesty's Government and we intend to legislate to achieve that for goods from Northern Ireland to the rest of the United Kingdom.

As far as smuggling and abuse of the system is concerned, such practices go on at present. They are normally addressed by market surveillance and effective, targeted action. I am sure that market surveillance will continue in the unlikely circumstance that the noble Baroness posits of some mass attempt to subvert legitimate trade.

We intend this to be a light-touch approach. The noble Baroness and the noble Lord were both sceptical on this matter. The forms that the noble Baroness referred to will be processes administered electronically and will be light-touch in action. We will be negotiating and discussing how those matters will be implemented in the joint committee and specialised committee, which were set up under the protocol to provide just these sorts of discussions.

The noble Lord, Lord Bruce, referred to the Government setting great store by the matter being temporary. A provision for consent was agreed by both sides and in consultation with parties on both sides of the border in the original protocol. The capability exists for the representatives of the people of Northern Ireland to alter the situation in four years if they wish to do so, but that matter is entirely for the Northern Ireland Executive and is not being pressed, as was implied in the Statement. Time will see. I hope that we will find an effective way of operating. I assure the noble Lord, Lord Bruce, that Northern Ireland will remain part of the United Kingdom's customs territory and that bureaucracy will be kept to a minimum.

The noble Lord asked about the idea of an EU office in Belfast. Without wishing to be contrary, I have pointed out in this House that, in the context of wishing to

maintain and protect the Good Friday agreement, a physical building of that sort might not be the most light-touch operation, but the British Government of course acknowledge their responsibilities within the protocol to satisfy everyone that the protocol is being complied with. If I might say so, the Belfast office is becoming a little bit of a totem on the side of those who wish to say that Britain is not acceding to its responsibilities. I remind your Lordships that such an office was not provided for in Article 12 of the protocol. How matters are implemented will continue, I hope, to be discussed constructively in the joint committee.

The Government are very grateful for the positive response—rather more positive than we have heard so far—from many people in Northern Ireland, the Northern Ireland Executive, our friends within Europe and many in the Republic of Ireland. They see the Government's document as a reasonable, sensible and measured one, on the basis of which we wish to seek a sensible, balanced, workable and practical way forward. It is in that spirit that we will pursue discussions in the next few weeks.

**The Deputy Speaker (Lord Duncan of Springbank) (Con):** My Lords, I will be on the virtual Woolsack for the remainder of this session. We now come to the 30 minutes allocated for Back-Bench questions. I ask that questions and answers be brief so that I can call the maximum number of speakers. I call on the first speaker this evening, the noble Baroness, Lady Pidding.

6.05 pm

**Baroness Pidding (Con):** My Lords, the economy of Northern Ireland is heavily dependent on small and medium-sized enterprises. Understandably, at present those businesses are focused on dealing with the consequences of the coronavirus pandemic and on ensuring that they and their employees' livelihoods survive. That said, it is also critical that we look beyond the current crisis to our future relationship and opportunities outside the EU. Will the Minister give an assurance that in these challenging times real engagement is under way with the business community in Northern Ireland to help implement any changes required as we move out of the transition period, that Northern Ireland will remain part of the UK customs territory and that there will be no new customs infrastructure and no tariffs on goods flowing between Great Britain and Northern Ireland, and that Northern Ireland businesses will have unfettered access to the Great Britain market?

**Lord True:** My Lords, I thank my noble friend for her remarks. I can certainly give her the final assurances that she seeks. We will deliver unfettered access. We will legislate for it. We will, as she asks, ensure that there are no tariffs on goods remaining in UK customs territory, which are the vast majority of goods that pass to Northern Ireland. We will give effect to our proposals without the need for any new customs infrastructure. In addition, we will guarantee that Northern Ireland businesses benefit, as my noble friend implies, from the lower tariffs that we will deliver through the new free trade agreements that we hope to conclude. I repeat what I said in response to the noble Baroness and the

noble Lord opposite. My noble friend is absolutely right to stress the critical role of the vibrant small business sector in Northern Ireland. It is of fundamental importance. I can certainly assure her that it will be very closely engaged as we go forward working for implementation, and its interests will be covered within the business engagement forum that we will shortly establish.

**Lord Kerr of Kinlochard (CB):** I welcome the White Paper because, despite the Govian smokescreen, it shows that the Government have retreated and are no longer in denial about two-way checks on Irish Sea trade. That clears the way for long-overdue consultation in Northern Ireland, which will guide the committee that decides how it is all to work. However, it is still a very odd White Paper. It tells the truth, but not the whole—[*Inaudible.*]—four pages and five annexes which list all the EU laws which will still apply, or the new democratic deficit, with Northern Ireland having no say in any changes to these laws, or even Article 12, on the jurisdiction of the Court of Justice. Perhaps the Minister would like to fill the lacuna, or at least correct his assurance to the House last night that the ECJ would not have jurisdiction after the transition period. The protocol states that it will, even if the White Paper does not mention the point.

**Lord True:** My Lords, I regret to say that some of the noble Lord's question rather broke up on my computer. However, I think I heard him say at one point that there will be checks on both sides. It is clearly the Government's intention that there will not be checks—that there will be unfettered access from Northern Ireland to the United Kingdom. I appreciated what the noble Lord said about the nature of the White Paper, even if he does not agree with all the details and questions a few points. I believe it is a very constructive attempt to lay the groundwork for what he rightly says will be, I hope, sensible and constructive discussions on implementation. However, I repeat that the purpose of all of us in this is to maintain the integrity of the Good Friday agreement, and that in doing so it is in the interests of both sides, as has frequently been said, that the arrangements put in place should impact as little as possible on the everyday lives of the people of Northern Ireland. That is our objective, and I hope it is that of our partners in negotiation.

**Lord Cormack (Con):** My Lords, do not the protocol, the Statement and everything that my noble friend has said this afternoon underline the crucial importance of concluding an amicable agreement with our European friends and neighbours? That being the case, why do the Government, in the midst of a grave international crisis, when everybody's mind is really on something else, continue to be so obdurate in insisting on the 31 December deadline? It would be no backtracking but a gesture of statesmanship to indicate that it is not sacrosanct.

**Lord True:** My Lords, I welcome my noble friend's comments and his recognising that this Administration wish to reach an amicable agreement with our European friends; it is our hope, desire and expectation that we

[LORD TRUE]  
will still do that. I cannot go along at all with my noble friend in asking for an extension of the transition period. I have answered that before in this House and I do not believe it would help business in any way. It would provide further uncertainty and lead to an extension of negotiations. Remaining within the orbit of the European Union after the end of this year would have great and uncertain consequences regarding the contributions and actions the United Kingdom might be involved with. But above all, the British people have asked for this matter to be concluded—twice—and we will conclude it.

**Lord Morris of Aberavon (Lab):** My Lords, I want to ask four specific questions, if I may. First, will the Treasury provide finance now to develop the necessary facilities at relevant ports? Secondly, would it be helpful to have a trial run now so that by the autumn, we could confidently tell the EU that we have practical solutions? Thirdly, given that Northern Ireland sends its milk to the Republic to be processed, will there be extra costs to dairy farmers? Against this, the key to the working of the arrangement will be the joint working party. When did it last meet and when will it meet next?

**Lord True:** My Lords, I fear that I do not have all the answers here. On facilities, I understand that any increase in costs will be met, but I will confirm that with the noble and learned Lord. On a trial run, we have to look at the practicalities of the systems we put in place; this is one of the reasons why we are setting up the business engagement forum. Discussions have already begun in various fora on matters such as co-ordination, along with technical discussions on systems and databases. Those discussions began in the joint committee meeting last month and took place in the first Ireland/Northern Ireland Specialised Committee on 30 April, and they will continue. I will have to write to the noble and learned Lord on the question of milk, and I undertake to do so.

6.15 pm

**Baroness Kramer (LD):** Can the Minister confirm that after transition, Northern Ireland will have to conform with the EU level playing field rules and that UK companies with interests in Northern Ireland will de facto also have to conform?

**Lord True:** The status of Northern Ireland under the protocol is well known and often discussed. Northern Ireland will effectively be operating within the EU single market but also within the internal market of the United Kingdom. The arrangements that we have put in place are envisaged in the protocol but, at present, the details of their implementation are under discussion.

**The Earl of Kinnoull (Non-Affl):** My Lords, I too welcome the arrival of the White Paper, if not everything in it. The transition period began at the end of January, with 11 months to plan and agree matters in Northern Ireland, of which just over seven months remain. However, the White Paper sets out for the first time a host of necessary future actions, with some important

workstreams yet to start. These include data flows, new groups and fora, as well as new physical infrastructure for the agri-food sector. Can the Minister assure the House that the klaxons are sounding and that there is now real urgency and momentum behind preparing Northern Ireland for life under the protocol?

**Lord True:** My Lords, I do not know about klaxons; I have always found them rather unpleasant. The United Kingdom Government regard Northern Ireland and its people as equal in every way to the rest of the United Kingdom and thus deserving the same privileges and the same attention. I can assure the noble Earl that whatever problems there have been with Covid—we all recognise the need to deal with them—we have engaged, we are engaging and we will engage on the principles and the practicalities of making these systems work, and indeed making them work for the benefit of the people of Northern Ireland. At all stages, we will respect the Good Friday agreement and the need to carry the consent of parties on both sides of the sectarian divide.

**Lord Caine (Con):** My Lords, as a staunch and long-standing unionist, unlike some who now seem to be exploiting this issue, I welcome the emphasis in the Command Paper on the consent principle in the 1998 Belfast agreement and on strengthening Northern Ireland's place within our United Kingdom. Regrettably, the consent principle is not something that the Commission has always either understood or respected, as I know from my experience in dealing with it. Also, does my noble friend agree that the politically motivated proposal to establish an EU office in Belfast is entirely inappropriate and should continue to be strongly resisted?

**Lord True:** I agree with what my noble friend has said about the place of Northern Ireland. Indeed, I have just affirmed that myself and I am pleased to repeat it. I think and hope that the European Commission recognises the importance of showing due sensitivity in the implementation of these matters in respect of each community in Northern Ireland, and this White Paper gives it an opportunity to display that sensitivity, which I very much hope it will do. As for an EU office in Belfast, I agree with my noble friend that it is entirely unnecessary and goes beyond what was agreed in the protocol. I have noted the strong views held by some people on this point.

**Lord Hain (Lab):** My Lords, I appeal to Ministers to be more frank about this. In promising unfettered access, the Command Paper states that there will be “no change to how Northern Ireland goods arrive in Great Britain ports compared to today. ... These arrangements will not cover goods travelling from Ireland or the rest of the EU being exported to Great Britain.”

Without costly checks and barriers, how is this compatible with the legally binding Irish protocol, which must differentiate between goods explicitly from Northern Ireland and those transited through from elsewhere, for which customs rules and tariffs apply?

**Lord True:** My Lords, I believe that in practical terms it will be possible to address the issues that the noble Lord points to, in so far as those difficulties exist. There is a little tendency to accuse the Government

of trying to gloss over problems. We gloss over no problem. We start with the intention to make the protocol work in a practical, beneficial and light-touch way. Given co-operation from every party—and there has been a positive welcome for these proposals from the Northern Ireland Executive—there is no reason why we should not be able to make the system work as the White Paper sets out.

**Lord Alderdice (LD):** My Lords, the consent principle is central to the Belfast agreement and referenced in the Statement, which says that the protocol will be disapplied if Northern Ireland’s political representatives subsequently

“conclude that it is no longer desirable”.

However, it is not unknown for Northern Ireland’s politicians to disagree about what is desirable. For the avoidance of doubt or misunderstanding down the line, can the Minister clarify whether, if at some future point unionists wish to disapply the protocol, Sinn Féin could veto this using the Assembly’s parallel consent requirement, thus blocking any disapplication of the protocol?

**Lord True:** My Lords, I may stand corrected, but I believe that the mechanism of the consent is set out in the protocol. That is the mechanism that will apply.

**Baroness Neville-Rolfe (Con):** The Statement covers one of the knottiest aspects of Brexit. As a member of the EU Committee, I think it represents a reasonable balance. However, the devil will be in the detail. The new business engagement forum may help. As someone who used to operate across the island of Ireland, I say this: we need a proper physical trial soon, for traders from some different sectors to transport goods from England to Northern Ireland, to the south and then back to England. Please can the Minister consider this further?

**Lord True:** My Lords, as my noble friend said, we will engage with businesses and traders about the requirements of the protocol. That will certainly be a priority in the coming weeks. She makes a very interesting and practical suggestion and is right that this will need to take account of how those traders move their goods in practice today, so that we ensure the system is as streamlined and efficient as we are clear that it must be. I certainly take note of her point.

**Lord Foulkes of Cumnock (Lab Co-op):** My Lords, I will return to the point about the Belfast office raised by the noble Lord, Lord Bruce of Bennachie, and my fellow supporter of the union, the noble Lord, Lord Caine. Does the Minister not recall that in February last year the British Government told the European Union that they wanted the EU to have an office in Belfast, in part to contribute to the implementation of this protocol? That was then reneged on by Michael Gove. On a day when the Prime Minister has made a spectacular U-turn on fees for NHS staff from overseas, will the Minister—who we know is a man of influence—take the courage in his hands and do a U-turn on the Belfast office? If he does, he will be really popular with many people throughout Northern Ireland.

**Lord True:** My Lords, I must tell the noble Lord, as I have told others, that this Government’s view is that there is no need to implement the protocol for there to be an office of this character in Belfast. I know of the statement by an official to which he may have been referring, but the position of the UK Government is as I have described it.

**Baroness Smith of Newnham (LD):** My Lords, the noble Earl, Lord Kinnoull, made it clear that the Command Paper highlights a lot of work that needs to be done between now and the end of the transition period. If Her Majesty’s Government are so determined to leave on 31 December with or without an agreement, what contingency planning are they doing if we leave without an agreement and the necessary works outlined in the Command Paper have not been delivered?

**Lord True:** My Lords, first, the Government hope that we will conclude a free trade agreement; that is our policy and our objective. I am not sorry to say—but from the noble Baroness’s point of view, I would be sorry to say—that it is our intention to end the transition period. Of course, the Government are planning for all eventualities and possibilities, but I assure the House that our objective is to reach a free trade agreement and to have a practical way forward on the protocol, on the basis of the Command Paper.

**Baroness McIntosh of Pickering (Con):** My Lords, the Government have rightly stated that they want to protect the disease-free status of the island of Ireland. Can my noble friend explain how that can be achieved without having physical checks on animals moving from Great Britain to Northern Ireland?

**Lord True:** My Lords, there are currently checks on animals in Belfast. The island of Ireland has a special epidemiological status and both parties on this side wish to safeguard that. There will be provision for agri-food and animal product movement, which has been referred to in the Command Paper. However, we have said that no new infrastructure will be put in place, and that is the policy of the Government.

**Baroness Bennett of Manor Castle (GP):** My Lords, in a Private Notice Question on Monday I asked the noble Viscount, Lord Younger of Leckie, what the Government will be doing about the extra costs imposed on goods going to Northern Ireland, and—given that pay is so low there—how people would be compensated. The noble Viscount said:

“I feel sure that those will be part of current discussions.”—[*Official Report*, 18/5/20; col. 904.]

This is an acknowledgement that there will be extra costs. Can the Minister tell me more about how the Government plan to compensate the people of Northern Ireland for those extra costs?

**Lord True:** I think that the noble Baroness leaps forward. This Government’s objective is to limit interference in the daily lives of the people of Northern Ireland, and to have a light-touch system that minimises cost. We should first focus all our objectives on reaching

[LORD TRUE]

agreement on a mechanism for implementation that delivers this; we can address any consequential afterwards. This is an agreement designed to secure the place of Northern Ireland, the Good Friday agreement and a better future for Northern Ireland businesses, as well as protecting the EU single market and the UK internal market. Surely those are objectives that everyone in this House should support.

**Lord Robathan (Con):** My Lords, I first congratulate the Government and their Sherpa, David Frost, on standing up for the interests of the United Kingdom as an independent state. This makes a really nice change, despite what we might call the whinging from those who wish not to allow Brexit to go forward as the people have chosen. My concern is about how paramilitaries may benefit from this through smuggling and organised crime, with which we know that they are heavily involved. Can my noble friend tell me what the reaction of Sinn Féin in the Republic has been?

**Lord True:** My Lords, I am afraid that I do not have that information for my noble friend. I did note that the Northern Ireland Executive's collective response was not unfavourable, to put it gently. As for paramilitary activities and paramilitary smuggling, no doubt that remains a problem, but the Governments of the United Kingdom and the Republic of Ireland are united in wishing to stamp out such activities. The best way to do that is to continue to support the Good Friday agreement, and that is the fundamental objective of this Command Paper and the way forward that we have proposed.

**Lord Adonis (Lab):** The Minister, speaking on behalf of Her Majesty's Government, obviously chooses his words very carefully, and I took him earlier not to be ruling out there being an EU office in Belfast. Is that correct?

**Lord True:** I will have to read my words to understand how the noble Lord interpreted them in that way. Our position is that such an office is not necessary for the implementation of this agreement, and that remains our position.

**Baroness Hamwee (LD):** My Lords, reference has been made to consultation, but largely for the future. What consultation has there been so far in arriving at this White Paper, and have stakeholders, particularly the business community, confirmed that they regard the procedures as not being burdensome?

**Lord True:** My Lords, the response from business groups in Northern Ireland to the White Paper has been extremely encouraging and positive. My right honourable friend the Secretary of State for Northern Ireland and his colleagues have an ongoing engagement and dialogue with the business sector, which is vital. I have affirmed again today that that will be a core part of carrying forward discussions on how we will implement these proposals, having told the House of the new Business Engagement Forum that I hope will begin its work shortly. But that is not beginning of engagement with business; it is the next stage of it.

**Baroness Ritchie of Downpatrick (Non-Aff):** My Lords, further to the answers given about the EU office in Belfast, will the Minister specify in exact detail why the Government consider that this office is not necessary, when the British Government have clearly stated that they will facilitate arrangements. Surely, such arrangements equal the need for an office?

**Lord True:** My Lords, I do not agree that facilitating arrangements, which is what is stated in the protocol, necessarily translates into cement. We are looking for light-touch, easy arrangements. I can only repeat what I have said to the House I believe four times already this evening: the position of the UK Government is that it is not necessary for the implementation of our undertakings under the protocol.

**Baroness Morgan of Cotes (Con):** My noble friend has rightly said a number of times that a light-touch approach will be adopted. I know from my work with others on alternative arrangements for avoiding a hard border that administrative processes are perfectly capable of being used. Will he confirm that the processes planned are only administrative and that any import declarations would be in electronic form?

**Lord True:** I thank my noble friend and of course I pay tribute to her, as indeed I should have to the noble Lord, Lord Hain, for their contributions over the years to these matters. Yes, I can give my noble friend both those assurances. We hope for, expect and are proposing light administrative procedures of exactly the type she describes.

**Lord Liddle (Lab):** This is a step forward but a very modest one. Does the Minister agree that this is a proposal that has to be agreed with the European Union and the European Commission in the joint committee and the specialised committee?

On the question of the union's presence in supervising these arrangements, I have the protocol in front of me, and Article 12.2 makes clear that

"Union representatives shall have the right to be present during any activities of the authorities of the United Kingdom related to the implementation and application of provisions of ... this Protocol".

It goes on to say:

"Where the Union representative requests the authorities of the United Kingdom to carry out control measures ... the authorities of the United Kingdom shall carry out those control measures", and that if we do not then this is subject to the jurisdiction of the European Court of Justice. Will the Minister be honest about what the provisions of the protocol are?

**Lord True:** My Lords, I always try to be honest: I have human frailty, as does everyone else, but I seek to tell the truth. The noble Lord has confirmed what I just said about the content of the protocol. It does not require cement, but it requires the United Kingdom Government—who will themselves, as I underlined, administer these arrangements—to be ready to facilitate

methods of assurance by the other party. Those methods of assurance do not need a heavy touch. I do not think that is envisaged by the European Union; certainly it is not by the United Kingdom Government. The United Kingdom Government's desire is to build on this agreement and persuade all parties, including the European Union, that this kind of approach satisfies the interests of all parties and does so in a way that

puts the interests of the people of Northern Ireland, and the peace agreement, first. I hope we can all unite on that.

**The Deputy Speaker:** My Lords, the day's Virtual Proceedings are now complete and are adjourned.

*Virtual Proceeding adjourned at 6.37 pm.*

