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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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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:

Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
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

Wednesday 15 July 2020

The House met in a Hybrid Sitting.

Noon

Prayers—read by the Lord Bishop of Birmingham.

Arrangement of Business

Announcement

12.06 pm

The Deputy Speaker (Lord Lexden) (Con): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. Oral Questions will now commence. Please can those asking supplementary questions keep them short and confined to two points? I ask that Ministers' answers are also brief.

Children Living in Poverty

Question

12.06 pm

Tabled by Lord McNicol of West Kilbride

To ask Her Majesty's Government what steps they are taking to reduce the number of children living in poverty in working households.

Lord McConnell of Glenscorrodale (Lab): My Lords, on behalf of my noble friend Lord McNicol of West Kilbride and with his permission, I beg leave to ask the Question standing in his name on the Order Paper.

The Parliamentary Under-Secretary of State, Department for Work and Pensions (Baroness Stedman-Scott) (Con): My Lords, our current focus is on supporting people financially through this crisis. Our long-term ambition, based on clear evidence about the importance of work in tackling poverty, remains to build an economy that gives everyone the opportunity to enter and progress in work. In 2018-19, only 3% of children in households where both parents worked full time were in absolute poverty before housing costs compared to 47% in households where one or more of the parents worked part time.

Lord McConnell of Glenscorrodale: My Lords, the mass unemployment of the 1980s did not leave just a generation of children—far too many children—living in poverty. It affected them, their children and their grandchildren for decades. Will the Government agree that in what is likely to be a very tough economic climate following this pandemic there is a need for targeted action to ensure that children not only escape the trap of poverty but have the educational opportunities to come out of poverty and have a better life thereafter?

Baroness Stedman-Scott: The noble Lord raises a really important point. It is not just about fiscal poverty;

if youngsters do not get a good education or their education is interrupted, it can have a real impact on their ability to secure the skills and knowledge they need to make their way in the world. This is—I am not trying to duck the issue—a matter for my colleagues at the Department for Education, so I will ask my noble friend Lady Berridge to provide an update to the noble Lord on those matters.

Baroness Lister of Burtersett (Lab) [V]: My Lords, the Government like to talk about tackling the causes of poverty. One cause of today's shameful level of child poverty in working households is the long list of cuts in social security support for children since 2010, which was a policy choice. In this new context, why are the Government refusing to take the simple step of reversing that policy choice in order to reduce child poverty?

Baroness Stedman-Scott: The Government continue to review all the matters at their disposal to help children not be in poverty. These matters are reviewed continually. As I have said to the whole House before, the Government will continue to look at the issues and the things they have got to deal with poverty and will review them on a regular basis.

The Lord Bishop of Durham [V]: My Lords, in the light of the Minister's last answer about continual review, in April 2019 59% of families affected by the two-child limit were working, with many struggling to afford essentials. When the new statistics on the policy are released tomorrow, will Her Majesty's Government finally agree to review and assess the evidence that the two-child limit negatively impacts children in working families and that lifting it is the most effective way to reduce the number of children living in poverty?

Baroness Stedman-Scott: As the right reverend Prelate said, we will be publishing the latest annual statistics related to the operation of the policy to provide support for a maximum of two children tomorrow. I cannot speak about what the statistics might show until they are released at 9.30 am tomorrow. However, I can promise that if there is anything about the statistics or trends which goes beyond what we would expect to see, the department will look into them.

Baroness Couttie (Con) [V]: My Lords, I would be grateful if the Minister could tell us what support the Government are providing to help people who have found themselves in financial difficulties because of coronavirus access food.

Baroness Stedman-Scott: On 8 May, the Government announced up to £16 million to provide food for those who were struggling financially as a result of the coronavirus. As part of this Defra has opened a £3.5 million food charities grant fund and on 10 June the Prime Minister announced £63 million in support for local authorities.

Baroness Janke (LD) [V]: My Lords, in her first reply the noble Baroness referred to children in two-parent

[BARONESS JANKE]

families. I point out that many of the working poor are single parents and that half the children in one-parent families are in poverty. They are doubly disadvantaged. What are the Government doing to ensure that these children's futures are not blighted by the scourge of poverty in their early years?

Baroness Stedman-Scott: In my original Answer, I said it was very clear that people in work have a much better opportunity not to be in poverty. The noble Baroness raises the issue of lone parents, who have enormous issues to overcome. The Government are doing everything they can to make sure that people are supported, and the best route out of poverty for this group is to be in work.

Lord Eames (CB) [V]: My Lords, as we emerge from lockdown, certain issues are being identified that require urgent and immediate attention. However, what is being uncovered in the case of child poverty needs both immediate and long-term action. Can the Minister say something more specific about the long-term issue of child poverty, which will continue to challenge our society long after lockdown?

Baroness Stedman-Scott: There is clear evidence of the important role of work in reducing child poverty. I acknowledge that we are in very difficult circumstances, but the Government are doing everything they can to ensure that people can be supported through this difficult time. Huge amounts of support are available. We have a £30 billion plan to support, protect and create jobs, and a £2 billion Kickstart scheme; we are doubling the number of work coaches; there is an expanded youth offer; the work and health programme is being expanded; and we are increasing participation in our sector-based work academies. In addition, there is £150 million to boost the Flexible Support Fund to make sure that people can be given support—and this money will filter into the lives of children.

Baroness Sherlock (Lab) [V]: My Lords, the Minister keeps mentioning work, but TUC research found that the number of poor children in working households rose by 38% between 2010 and 2018—and that was before Covid. Yet poverty was mentioned just twice in last week's summer statement document: in the title of an IMF body and in the list of abbreviations at the end. We keep making suggestions, such as sorting out universal credit, increasing legacy benefits and ending the two-child limit, but they are all rejected. Can the Minister assure the House that the Government are taking working poverty seriously and tell us what their plans are to stop more of our kids growing up scarred by poverty?

Baroness Stedman-Scott: I assure the whole House that the Government take in-work poverty really seriously. Our plan is to build an economy that will support work, as we have said many times. Universal credit is designed to help people to move into work faster, although that can be challenging in the current circumstances. We have also set up the In-Work Progression Commission. As I

have said before, people put forward ideas all the time and they are taken to the department. I assure the noble Baroness that we are taking this seriously. We might not be answering at the speed that she would like, but we are very genuine and sincere.

Baroness Tyler of Enfield (LD) [V]: My Lords, the Social Mobility Commission recently published figures suggesting that 72% of children in poverty were in families where at least one adult was in work—a figure that has increased steadily from 44% in 1996-97. It cited mounting evidence that benefit reforms were pushing children into poverty and concluded that the intention of universal credit was to lift more families out of poverty but the DWP appeared to have done little work to ensure that it was not making child poverty worse. What precise work has the department done to assess the impact of universal credit on child poverty, and will it publish its findings?

Baroness Stedman-Scott: I come back to what I said before: as a Government, we are always looking at the points that people raise and the issues related to in-work poverty. I think that the Social Metrics Commission said that poverty had been rising but had plateaued. Virtually all the increase in poverty occurred during 2001 to 2008; since then, it has plateaued. Going back to my response to a previous question, we are well aware of the situation of lone parents and are working hard and at pace to help them.

The Deputy Speaker (Lord Lexden) (Con): My Lords, the time allowed for this Question has now elapsed. We now come to the second Oral Question, in the name of the noble Lord, Lord Ramsbotham.

Royal Commission on Criminal Justice *Question*

12.18 pm

Asked by Lord Ramsbotham

To ask Her Majesty's Government, further to the reply by Lord Keen of Elie on 3 June (HL Deb, col 1357), when they will announce (1) the chair, (2) the timings, and (3) the terms of reference, of the Royal Commission on criminal justice.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, we are carefully addressing the scope, terms of reference and membership of the royal commission. In doing so, we will embrace the lessons that we can learn from the present crisis to make the criminal justice system more resilient in the longer term.

Lord Ramsbotham (CB) [V]: My Lords, I make no apology for asking this Question again, and I will go on doing so until I get an answer. In June, the noble and learned Lord the Minister described the royal commission as an "important opportunity", about which further announcements would be made in due time. As the royal commission was announced in December

and many, including the Law Society, have highlighted that currently the criminal justice system is not working in an efficient or effective way, when will the Lord Chancellor seize the opportunity?

Lord Keen of Elie: My Lords, as the noble Lord may be aware, the terms of reference of a royal commission cannot be altered. It is therefore critical that we determine and finalise those terms of reference with care. A small team of civil servants in the MoJ is working to establish the royal commission and it is anticipated that they will transition to make up the secretariat for the commission, which we hope to have operational from the autumn.

Lord Garnier (Con) [V]: My Lords, I refer to my interest in the register. When my noble and learned friend the Minister last dealt with this question on 3 June, he was not able to be very forthcoming but, since then, the backlog of trials in both the Crown Courts and the magistrates' courts has got even longer. A royal commission will not help, but there are plenty of Crown Court recorders and deputy magistrates' court judges ready and able to assist. Why are they not being deployed?

Lord Keen of Elie: My Lords, thanks to the hard work of professionals across the criminal justice system, more than 150 courts have remained fully open to the public throughout the pandemic. By the middle of this month, we anticipate that all court centres will have reopened.

The Deputy Speaker (Lord Lexden) (Con): I call the noble Lord, Lord Hastings of Scarisbrick. No? Then I call the noble Baroness, Lady Mallalieu.

Baroness Mallalieu (Lab) [V]: My Lords, I first declare an interest as a retired criminal barrister and the mother of a practising one. It is clear that the report of the royal commission is a very long way away. Will the Minister tell us what is happening right now to clear the trial backlogs, by reopening courtrooms that have been mothballed, opening new ones, using part-time judges—as the noble and learned Lord, Lord Garnier, has just suggested—overhauling the case-listing system and ensuring that there is adequate technology to tackle the crisis in the criminal justice system, which is the result of a long period of chronic underfunding which far pre-dates the current crisis?

Lord Keen of Elie: My Lords, we are looking at all the matters addressed by the noble Baroness and we have taken steps to open additional courts across the country. We continue with that endeavour to address the backlog of cases that has emerged since the pandemic.

Lord Thomas of Gresford (LD) [V]: My Lords, I am aware that soundings have been taken as to the introduction of smaller juries in criminal cases. Whether this is to deal with the pandemic or the backlog of trials, or is for the long term, is it not precisely the sort of issue which a royal commission should discuss publicly and openly before a decision is made?

Lord Keen of Elie: My Lords, at this time we are not intending to make any decision with respect to smaller juries.

Lord Ponsonby of Shulbrede (Lab) [V]: My Lords, does the Minister agree that there is a gross imbalance between rising levels of reported crime and a fall in prosecutions to a 50-year low, after a decade of cuts in the police, forensic services and the CPS? Can the Minister say whether the royal commission will consider the growing use of out-of-court disposals when it looks at the workings of the criminal justice system?

Lord Keen of Elie: My Lords, we have previously announced increases in the provision for police numbers. With regard to the royal commission, the terms of reference have not yet been finalised; I am therefore not in a position to confirm the precise terms.

Lord Farmer (Con) [V]: My Lords, will the royal commission take into account the importance of strengthening offenders' family and other relationships to further the aim of reducing reoffending and to prevent intergenerational crime?

Lord Keen of Elie: The matter to which my noble friend refers is one of considerable importance but I cannot say that it is an issue that will be embraced by the royal commission.

Baroness Kennedy of Cradley (Non-Aff) [V]: My Lords, after years of underfunding, our criminal justice system is crumbling. Criminal trials have dropped to an all-time low despite recorded crime continuing to rise. Can the Minister tell us when exactly the terms of reference for the royal commission will be finalised? Also, can he guarantee that the commission will have a comprehensive remit and be able to look at every part of our criminal justice system, and will he ensure that support for victims is put at the top of its agenda?

Lord Keen of Elie: My Lords, we anticipate that the royal commission will be able to commence its work in the autumn, having before it a finalised set of terms of reference. We have to be realistic about how the royal commission will operate. We wish it to report within 12 to 18 months; accordingly, the terms of reference will have to reflect that timescale.

Lord Morris of Aberavon (Lab) [V]: My Lords, as a criminal law practitioner for more than 40 years, I warmly welcome the setting up of the commission. The listing and hearing of criminal trials is in a mess and underfunded, and efforts to increase court sittings are belated. Will funding for criminal legal aid be part of the remit of the royal commission?

Lord Keen of Elie: My Lords, as I have indicated already, I am not yet in a position to confirm the remit of the royal commission as the terms of reference have not yet been published. Again, I remind noble Lords that we are concerned to ensure that the terms of reference are manageable in the context of our wanting a report within 12 to 18 months.

Lord German (LD) [V]: My Lords, the Minister has announced a White Paper on community sentencing and sentencing more widely, and that is to be followed by a government Bill. A royal commission will not examine those matters because they are already under way. So, having taken out a large chunk of the justice programme, what will be the main focus of what is left for the royal commission to examine?

Lord Keen of Elie: My Lords, as I said, the terms of reference have not yet been finalised but, clearly, the royal commission will be addressing some of the more fundamental issues with regard to the delivery of criminal justice in England and Wales.

Lord Balfé (Con) [V]: My Lords, there is clearly a large degree of skill in the House of Lords which could contribute to these terms of reference. Since the Minister has said several times that they have not yet been finalised, is he willing to convene a ministerial meeting of interested persons in the House of Lords to discuss the detail of the terms of reference and what they could—and should not—cover, so that when the terms are announced they have broad support in the House?

Lord Keen of Elie: My Lords, given the stage we have reached in this process, I cannot undertake to carry out such an exercise, which, I suspect, would result in considerable delay. We are in a position where we can finalise the terms of reference and make them public in the very foreseeable future. As I said, we are hopeful that the royal commission will commence its work in the autumn.

The Deputy Speaker: I call again the noble Lord, Lord Hastings of Scarisbrick. He is not responding. All supplementary questions have been asked and we now move to the next Question.

Metropolitan Police: Racism *Question*

12.28 pm

Asked by Lord Paddick

To ask Her Majesty's Government what discussions they have had with the Metropolitan Police Service about the steps being taken to address racism within its ranks.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the Government condemn racism and racists. Racism is abhorrent and has no place in our society. This Government remain committed to working with policing to broaden representation and enhance accountability to help the police make their relationships with the public even stronger. The drive to recruit 20,000 officers over the next three years gives us a significant opportunity to support the police to become more representative of the communities they serve.

Lord Paddick (LD) [V]: My Lords, the chair of the Metropolitan Police Federation is reported in the *Guardian* as saying that the reason why black people in London were twice as likely to be given lockdown fines by the police was because

“anyone out in the first four weeks was a drug dealer”.

I checked the accuracy of the officer's remarks with the journalist before making a formal complaint. The Metropolitan Police Directorate of Professional Standards refused to look into the matter. The Metropolitan Police Federation did not reply when I asked it about what the officer is reported as saying. What does this say about the culture of the Metropolitan Police, and what action do the Government intend to take to change it?

Baroness Williams of Trafford: My Lords, several things are happening at this point in time. The NPCC announced its intention to develop an action plan on 18 June, on the back of the Black Lives Matter protests. The College of Policing has also reviewed and applied positive action to the senior national assessment centre and its strategic command course for chief officer candidates. The recruitment of those 20,000 police officers gives us a golden opportunity to increase diversity of representation within the police.

Baroness Jones of Moulsecoomb (GP) [V]: My Lords, at a London Assembly meeting last month, my Green Party colleague Siân Berry questioned the Metropolitan Police Commissioner on that very issue of the data showing that black Londoners were two-and-a-half times more likely to be arrested or given a fine. When pressed, the commissioner said, “I have not gone back to them”—her officers—“and said ‘I am concerned about disproportionality’ or ‘Please stop acting in this manner that will lead to disproportionality’ because I don't see that as an issue.” You have a big problem in dealing with racism if the person at the top of the organisation does not recognise that the issue exists. Does the Minister agree?

Baroness Williams of Trafford: My Lords, the Metropolitan Police service has worked hard to improve relationships with communities and increase the representation of black, Asian and minority ethnic officers and staff. But I am not going to deny that individual cases of racism do not still exist, because they do. There is far more for forces to do to address the disparities in their workforce and in community relations.

Viscount Trenchard (Con): My Lords, does my noble friend the Minister agree that the Metropolitan Police service still suffers from a paucity of competent leadership in its higher ranks, and that its ability to correct issues such as racism in the ranks would greatly improve if it were to introduce an officer recruitment programme, similar to that used by the Armed Forces? That might conflict with some of Peel's original principles, but is it not necessary to provide the kind of policing that our country needs today?

Baroness Williams of Trafford: I do not think anyone would disagree with my noble friend's point. On the back of that, HMICFRS has agreed to focus more

closely on how forces are performing on diversity and inclusion as part of its next round of Peel assessments. Diversity and ability are not, of course, mutually exclusive and, as my noble friend points out, a far more diverse workforce might help with some of those issues at the top.

Lord Singh of Wimbledon (CB) [V]: Does the Minister agree that racism in the police service, evident in stop and search and disproportionate disciplinary procedures against BAME officers, arises from ignorance and prejudice? Does she also agree on the importance of education and training in the need to look beyond superficial difference to the reality: that we all have much in common?

Baroness Williams of Trafford: We most certainly all have much in common, and we now collect and publish more data on stop and search than ever before. We allow local scrutiny groups, the police and crime commissioners and others to hold forces to account. We also discuss it with relevant National Police Chiefs' Council leads and forces to understand why disparities arise. Perhaps I might also say that the Home Secretary is chairing the national policing board today, and there is an item on diversity.

Baroness Lawrence of Clarendon (Lab) [V]: My Lords, yesterday the *Guardian* interviewed two black retired senior officers, who talked about their experience of racism in the Metropolitan Police and how it had affected them in their careers. How will Her Majesty's Government address the future of black and Asian minority officers' careers, going forward?

Baroness Williams of Trafford: I say to the noble Baroness that this is key to the success of the police. As I said to the noble Lord, Lord Paddick, the college has reviewed and applied positive action—not positive discrimination but positive action—to the senior national assessment centre and strategic command course for chief officer candidates. However, it also has training in inclusion and diversity at every level now in the police force.

Lord Robathan (Con): My Lords, I recall the Brixton riots of 1981 and I regret to say that there was then shocking and very real racism evident and open among some—some—of the police officers there. But since then, over the last four decades, huge progress has been made and I suggest that most people would wish to congratulate the Metropolitan Police on that. I am sure my noble friend will agree that discrimination is unacceptable, be it against black, Asian or indeed white people. Will she ensure that recruitment and promotion policies are entirely transparent, so that we can all see that they are fair and non-discriminatory?

Baroness Williams of Trafford: I agree with my noble friend on the positive trend of diversity within the police forces. During the lockdown I think that the police have, in the main, behaved incredibly reasonably in engaging with the public. However, on increasing diversity, training at every level will absolutely be given to police officers and that disparity as people get more senior in the police force will be addressed.

Baroness Hamwee (LD) [V]: My Lords, the police are one part of the criminal justice system and should be learning from the CPS's responses, with its evidential tests when cases are passed to it. Are the different parts of the system co-ordinating to address eradicating discrimination, which exacerbates the climate of distrust referred to in the Macpherson report more than 20 years ago?

Baroness Williams of Trafford: It is absolutely crucial that different parts of the system not only speak to but learn from each other, and that this forms what is best practice as we proceed.

Lord Rosser (Lab) [V]: The Minister has made a number of references to diversity and to the police being more representative of the communities that they serve. The Home Secretary said in the Commons on Monday that she spoke to police chiefs every single day. What has the Home Secretary been telling police chiefs in these conversations that she expects them to achieve on greater diversity within police officer ranks, and over what period does she expect that to be achieved?

Baroness Williams of Trafford: I can vouch for the fact that the Home Secretary speaks to the police every day because I am on some of those calls. As I said, she is chairing the national policing board today and one item that will be discussed is diversity.

The Deputy Speaker (Lord Lexden) (Con): My Lords, the time allowed for this Question has now elapsed.

House of Lords and Machinery of Government: Consultation on Changes

Question

12.39 pm

Asked by Lord Wallace of Saltaire

To ask Her Majesty's Government what plans they have (1) to consult relevant Parliamentary select committees about the constitutional implications of, and (2) to await the outcome of the proposed Constitution, Democracy and Rights Commission to inform, changes to (a) the machinery of Government, (b) the location of their departments and the civil service, and (c) the location of the House of Lords.

The Minister of State, Cabinet Office (Lord True) (Con): My Lords, the Government have committed to ensuring that the administration of government is less London-centric and to locating more Civil Service roles and public bodies out of London and into the regions and nations of the United Kingdom. No decisions have yet been taken on the form and scope of the commission on the constitution, democracy and rights. We will consult Select Committees about any relevant decisions in the normal way.

Lord Wallace of Saltaire (LD) [V]: My Lords, if one wants to distribute civil servants around the country, proper devolution for England would be the best way by far to do that. The Conservative manifesto last December declared:

“we also need to look at the broader aspects of our constitution: the relationship between the Government, Parliament and the courts; the functioning of the Royal Prerogative; the role of the House of Lords”

and that they would

“set up a Constitution, Democracy & Rights Commission that will examine these issues in depth”.

Instead, No. 10 is briefing out piecemeal changes that were not in the manifesto but which only appeared in Dominic Cummings’s blog. Is Cummings’s blog now more authoritative as a guide to government policy than the manifesto?

Lord True: My Lords, at risk to my career, I must say that Mr Cummings’s blog is not on my reading list, and I do not normally consult social media in general. However, I say to the noble Lord that the commission will examine the broader aspects of the constitution in depth and develop proposals to restore trust in our institutions and the operation of our democracy. We will consider the composition and focus of the commission carefully and will provide an update in due course.

Baroness Warwick of Undercliffe (Lab) [V]: My Lords, I read the debate on this topic yesterday, following the Question of the noble Lord, Lord Young of Cookham, and noted the imprecise Answer given then by the Minister. I have listened carefully to his answers to the noble Lord, Lord Wallace, today, which again have not been definitive. Therefore, I would like to put two straightforward questions to the Minister, and I would appreciate a straightforward answer. Is it the intention of the Government to table proposals for the relocation of the House of Lords, on a permanent basis, to York or any other location outside London? If so, when do they intend to table these proposals?

Lord True: My Lords, I said yesterday, in a straightforward fashion, that the location of this House is ultimately a matter of its exclusive cognisance. The Government are putting forward a series of ideas—they have done and are continuing to do so—about the relocation of aspects of government outside London. This is ongoing and will continue.

Lord Rennard (LD) [V]: My Lords, there are 79 bicameral Parliaments in the world. All but one of them have chambers co-located in the capital city, often in the same building. Why does the Minister think that this is the case?

Lord True: My Lords, I can only repeat what I said yesterday: that in any decision about the future operation of Parliament, the convenience of parliamentary procedure is obviously one of the factors that would have to be taken into account.

Lord Mancroft (Con) [V]: My Lords, does my noble friend agree with me that it is important that your Lordships’ deliberations should take place as close as

possible to the people? Would he also agree with me that it is even more important for those who actually represent the people to be located even nearer to them than this House? Could he tell your Lordships what plans the Government have for the future location of the House of Commons to ensure that it is situated as close as possible to the people?

Lord True: My Lords, I do not think I am going to be drawn on that one. I think that the *Companion* says that one is supposed to speak respectfully of the other place. However, I say to my noble friend that my right honourable friend Boris Johnson brought the other place close to the people by his devastating victory in the December election last year, which delivered a majority of 80 to the real people’s party.

Lord Bilimoria (CB) [V]: My Lords, Westminster is not only the mother of Parliaments; it is the mother of bicameral Parliaments. Would the Minister agree that, for purely practical purposes, the close proximity of both Houses side by side—whether for APPGs, committees or visiting Heads of State—is important and that they should be together, let alone the fact that the House of Lords has the greatest depth and breadth of expertise of any parliamentary Chamber in the world? Surely, being located in London—the greatest of the world’s great cities—is a huge advantage, as we have our financial capital and our government capital together. That is where the House of Lords should be based. Could he say who is behind this idea?

Lord True: My Lords, I repeat what I said yesterday. Of course, all the factors the noble Lord has mentioned have to be weighed and taken into account in any reflections on the future of our Parliament and the role of this House. At the moment, Parliament is operating remotely—as the noble Lord himself is—and it is not impossible. However, I am sure that all the factors mentioned will be considered.

Lord Clark of Windermere (Lab) [V]: My Lords, all power to the Government’s elbows to distribute civil servants across the country, but yesterday the Minister was absolutely clear that only Parliament could determine its own relocation. Will the Government desist from acting *ultra vires* and leave it to Parliament to pursue its own conclusions, backed by primary legislation?

Lord True: My Lords, I do not believe the Government are acting *ultra vires* in any way. It is important that all of us—in this House, in the other place and in the political world generally—reflect on how we may restore respect in the political process and bring that closer to the people. That does not change the fundamental constitutional point which the noble Lord has cited.

Baroness Smith of Newnham (LD) [V]: My Lords, one reason why the European Parliament is subject to criticism is that it sits in two places: Brussels and Strasbourg. The moves to Strasbourg diminish accountability and create problems. Does the Minister agree that, if our bicameral Parliament were separated, it would be much harder to hold Ministers to account and would undermine the British Parliament?

Lord True: My Lords, I do not necessarily agree with that argument: the noble Baroness is holding me to account at present. It is no secret that I was not an enthusiast for the Strasbourg Parliament.

Lord Empey (UUP) [V]: Will the Minister confirm to the House whether the decision of the Supreme Court to become involved in the Prorogation dispute last autumn will be considered as part of the review when the commission is established?

Lord True: My Lords, I must repeat that, obviously, the commission will be looking at a wide range of matters and the broader aspects of the constitution. The issue that the noble Lord mentioned is of great constitutional importance and certainly deserves examination.

Lord Lilley (Con): My Lords, the problems of moving this House away from the Commons and Whitehall may be insuperable. However, should we not, perhaps by moving the Moses Room and Westminster Hall to York, try to bring Parliament closer to people from whose views and values it was so clearly estranged during the last Parliament? It would surely strengthen this House, first, if more people saw your Lordships' excellent work as a revising Chamber and, secondly, if closer contact with people outside the metropolitan bubble made us more respectful of their views.

Lord True: My Lords, my noble friend makes a number of important and relevant points. As I said yesterday, in some respects the House already takes part of its work outside London. I do not believe this is something to which your Lordships should close your ears.

Viscount Waverley (CB) [V]: My Lords, if idealistic elements of decision-making advocate decentralisation, why not move the whole machinery of governance out of town, or make it rotational? This may have the added beneficial consequences of strengthening the sanctity of the union and lessening the drain on the Exchequer.

Lord True: My Lords, the noble Viscount puts forward considerations which would need to be, and will be, reflected on as we look at the future of our constitution. The operation of Parliament must be absolutely fundamental in that consideration.

The Deputy Speaker (Lord Lexden) (Con): My Lords, the time allowed for this Question has now elapsed.

Pension Schemes Bill [HL]

Third Reading

12.50 pm

Relevant documents: 4th, 7th, 8th and 16th Reports from the Delegated Powers Committee

Lord Ashton of Hyde (Con): My Lords, I have it in command from Her Majesty the Queen to acquaint the House that Her Majesty, having been informed of

the purport of the Pension Schemes Bill, has consented to place her interest, so far as it is affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

A privilege amendment was made.

Motion

Moved by **Baroness Stedman-Scott**

That the Bill do now pass.

The Parliamentary Under-Secretary of State, Department for Work and Pensions (Baroness Stedman-Scott) (Con): My Lords, before we move to the technicalities of closing our debates on the Bill in this House and it moves for consideration in the other place, I want to take a moment to reflect on the Bill and its passage through your Lordships' House.

This is important legislation that will benefit members of the public and will help people plan for their future. As I said at Second Reading, the Bill will have a far-reaching impact for people saving into pensions for their retirement. It ensures that reckless bosses cannot gamble with people's savings; it transforms the way people get information about their retirement savings; and it introduces a whole new type of pension to the market.

It is clear from the excellent contributions and speeches made as the Bill progressed through this House that many of your Lordships agreed with its principles. Contributions and questions from all sides have been thorough and searching. I would not have expected anything different.

The Government listened to your Lordships' arguments and concerns as the Bill progressed and made a number of amendments both in Committee and on Report—73 in total, which I think you will agree have strengthened the Bill. We recognised the concerns of the DPRRC and this House in respect of delegated powers; we listened to your thoughts about a public dashboard; we introduced measures in respect of climate reporting and the Paris Agreement; and we have responded to the threat of scams by tightening the rules on transfers.

Your Lordships made further amendments to the Bill on Report concerning intergenerational fairness, consumer protection and scheme funding. We will look at these carefully along with the strong arguments made in support of them as the Bill progresses in the other place.

I thank all those who have engaged on the Floor of the House and in the many meetings that we have had outside, which I hope you found helpful. I thank my noble friends Lord Howe and Lady Scott for all the help and support they have given me throughout this process. This was my first Bill, and they have helped enormously to keep me on the straight and narrow. I thank the Whips office, the House staff, my private office, led by Vanessa Drury, and all those involved in helping us through the hybrid proceedings. These have been very testing times for everyone, and the fact that we are here at all bears testimony to the work they have put in.

[BARONESS STEDMAN-SCOTT]

Finally, I want to thank the Bill team and all the officials across DWP. I thank them for the extensive engagement programme that they helped me with. I thank Jo Gibson, Jane Woolley, Mike Jewell and Debbie Bullen—to name but four—but there are many support people behind them, and I would not want to miss anybody out in trying to name them all. They have put in incredibly long hours to support my noble friends and me during debates, to facilitate briefing meetings, and to provide the updates, letters and briefings that noble Lords have received. They have done this at a time of great uncertainty, with many teams reduced to help support front-line services. I hope that they will manage to get some well-deserved time away over the summer.

On that note, I thank you all again for your patience and support. I beg to move that the Bill do now pass.

Baroness Sherlock (Lab) [V]: My Lords, I thank the Minister for those remarks and concur with them. We have agreed on so much about this Bill: we support the new CDC pension schemes; we all want to see financial technology harnessed to benefit consumers and to make the financial markets work more efficiently; and we are keen to work constructively with the Government to bring innovations such as the dashboard to fruition.

Where we have differed is on the extent of the protections needed to mitigate the risk of consumer detriment and poor outcomes. We still believe that the weight of evidence is with our arguments, as are reports from various regulators. I hope that by the time the Bill is debated in another place, the reasoning behind our Report amendments on the head start for the public dashboard, on the risks of dashboard transactions and on questions of fairness will find favour.

The pandemic has pushed many consumers into digital engagement far faster than they may naturally have adapted to it. While that has kept our economy and society functioning, it has also exposed some consumers to greater risk of detriment. We might not see any consequential increase in the number of scams until later in the year, but that means that the provisions in this Bill will be timely and welcome. More risks will emerge, including new ones as a result of Covid, so I urge Ministers to keep the House informed as regulators scan the landscape and the Financial Ombudsman monitors new kinds of complaint. Although they are not covered in this Bill, we wait with interest to see how the Government will regulate the newly emerging superfunds, given the economic impact of Covid.

Pensions are very long term, and it will take decades for the full effects of public policy decisions by any Government to be seen. That is why it is so desirable that pensions policy be built on the foundations of political consensus, and it is why I am grateful for the significant concessions that have been given during the passage of this Bill.

I pay tribute to my noble friend Lady Drake, whose expertise and determination underpinned our campaign for the Government to commit to a public dashboard and have it operating from the start. I am grateful for support from across the House for that and for all the

shared support for moves to secure commitments on governance, including ensuring that dashboard services will be regulated by the FCA. It was great to see cross-party working on climate issues, led by my noble friend Lady Jones of Whitchurch and the noble Baroness, Lady Hayman, result in an agreed position with government and the first ever reference to climate change in domestic pensions legislation. I am grateful to the Minister for yielding to pressure from many quarters for amendments on transfers and on delegated legislation.

This is a better Bill than the one which entered the House, and I give thanks to all who made that possible. I thank my noble friend Lord McKenzie of Luton, but I am sad that it will be my last time sharing the Front Bench with him. He has given so much to this House and to our country in his decades of public service. I look forward to his continued contributions from the Back Benches.

I am grateful to Dan Harris of our staff team, who has done sterling work on this Bill and is a joy to work with, as are all my colleagues who joined in during our proceedings. I am grateful to House officials and the broadcast teams. I am very grateful to the Bill team and all the officials who have met us repeatedly and patiently answered our many questions. I am grateful, too, to colleagues across the House for intelligent and thoughtful debates. I am grateful also to the Ministers: to the noble Earl, Lord Howe, for his gentle engagement and to the noble Baroness, Lady Stedman-Scott, for her co-operative spirit and her willingness to engage and to concede. This may have been her first Bill; I am sure that it will not be the last. I look forward to joining in and occasionally doing battle yet again.

We did the Committee stage of this Bill before Covid, crammed into the Moses Room with not a hint of social distancing. We did the Report stage in hybrid mode. To be honest, I will never get to love voting on my phone or get used to making passionate speeches to my iPad, but it has shown that this process can work. We have thoroughly scrutinised a vital and highly technical Bill, and we have made it better than it was. That is the job of the House of Lords in a nutshell. I am so glad we can still do it.

Lord Sharkey (LD) [V]: My Lords, I thank the Minister for introducing the very important new amendments concerning transfer rights. In Committee, the noble Baroness, Lady Altmann, and I attempted to do, perhaps rather clumsily, what they do rather elegantly. We live in a time when scams are increasing, people are desperate for any return, online propositions are everywhere and can seem very tempting, and your money—occasionally all your money—is easy and quick to lose. These amendments will not solve those problems, but they will prove a valuable addition to the guidance armoury and to the better protection of consumers, and I welcome them.

My noble friend Lady Janke led the debate from these Benches with real insight and conviction. It is a pity that she cannot be with us today as the Bill concludes its passage through the House. She has asked me to thank, on her behalf, all the Members

who have taken part in what has been a constructive and congenial process. She has particularly asked me to congratulate the Minister and her officials on their apparently unlimited patience, their evident willingness to listen and their responsiveness. I join my noble friend Lady Janke in her remarks, especially as concerns the Minister's patience and forbearance. The Minister's character determined the character of our discussions. I also thank all Members who joined in those discussions, especially my noble friend Lady Bowles and the noble Baronesses, Lady Drake, Lady Sherlock and Lady Altmann. Their expertise was evident throughout and greatly added to the value of the debate. I believe that, collectively, we have made a good Bill better.

Lord Naseby (Con): My Lords, I declare an interest as a trustee of the Parliamentary Contributory Pension Fund. I place on record that I have spoken on this Bill, I have tracked all stages of it and I pay a major tribute to my noble friend on the Front Bench, in particular for her care and attention regarding the less obvious aspects of a major Bill like this. If this is her first Bill as Minister, she has made an extraordinarily good start.

Lord Flight (Con): My Lords, I add my congratulations to my noble friend, who has managed a complex and important territory most constructively. I also thank the Opposition for collaborating in a constructive way. I could not help thinking, as we come to the end of this bit of legislation, that if we look forward 30 years, we will then be in a very different age where people will live much longer and will retire later. There will have to be an adaption of their pension saving between now and then but, for the present, this Bill has done a very good job of addressing a difficult territory.

Baroness Stedman-Scott: I thank everybody for their comments and supportive remarks. What has really come out of this is that we collaborated, we talked, we listened and we made the Bill better. For that, I thank everybody.

Bill passed and sent to the Commons.

Sitting suspended.

Arrangement of Business

Announcement

1.07 pm

The Deputy Speaker (Baroness Henig) (Lab): My Lords, some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. The usual rules and courtesies in debate apply.

We now come to questions on a Statement. It has been agreed in the usual channels to dispense with the reading of the Statement, and we will proceed immediately to questions from the Opposition Front Bench. I ask that questions and answers are brief.

EU Exit: End of Transition Period

Statement

The following Statement was made on Monday 13 July in the House of Commons.

“With permission, Mr Speaker, I would like to make a Statement on our preparations for the end of the transition period.

On 31 January this year, the United Kingdom left the European Union, and last month we confirmed to our European Union partners that there would be no extension of the transition period beyond 31 December. My counterpart as co-chair of the Joint Committee confirmed that this marked ‘a definite conclusion’ to the matter, and the deadline for extension has now passed. As a consequence, from 1 January 2021 we will embark on the next chapter in our history as a fully independent United Kingdom. With control of our economy, we can continue to put in place the right measures for Covid recovery. With control over the money that we send to Brussels, we can spend it on our priorities—investing in the NHS, spreading opportunity more equally across the UK, and strengthening our union. We are also able to build a trading relationship with our neighbours in Europe that serves all our interests, while also developing new economic partnerships across the world, including opportunities for new and better trade deals with the US, Japan, New Zealand, Australia and many other nations.

The deal the Prime Minister struck last year, which the country backed in the general election, means that we can look forward with confidence to the end of the transition period on 31 December, but of course there is still work to do to prepare. Regardless of the outcome of negotiations with the EU over our future relationship, whether or not we have a Canada-style deal or an Australian model, we will be leaving the single market and the customs union. This will herald changes, and significant opportunities, for which we all need to prepare—government, business and individual citizens.

So I am announcing today two significant new initiatives that will bring financial support, further clarity, and reassurance for business and citizens. We are launching a major new public information campaign to make sure that everyone has the facts they need about the actions that we all need to take in order to be ready. We are also releasing for the first time an operating model for the border that will benefit importers and exporters, and provide information to hauliers, shippers, freight companies and our customs intermediaries. This comprehensive guidance covers every processing system used across all government departments and has been developed after extensive consultation with industry partners, operators and, of course, the devolved Administrations. Together with the additional £705 million package of funding for border infrastructure, extra jobs and better technology, this will help to ensure that our new borders will be ready when the UK takes back control on January. It will assist the smooth movement of goods, and it will also help us to lay the foundations for the world's most effective border by 2025, making our country more secure and our citizens safer.

Turning to the detail of these initiatives, the public information campaign—The UK’s New Start: Let’s Get Going—will run in the four home nations and internationally, encouraging us all to play our part in preparing for change. The campaign will be supplemented by the deployment of experts in the field, giving one-to-one support to businesses and their supply chains to ensure that they have made arrangements that will help to keep their operations running efficiently.

From January 2021, in order to fulfil the import process, traders will need to have a GB economic operators registration and identification—EORI—number before moving their goods. They will need to have the commodity codes of their goods, which will be needed to make a customs declaration and, of course, to calculate duties on an import. They will need to know the customs values of their goods, the rules of which are based on the World Trade Organization valuation agreement. They will also need to have considered whether they are able to use, and would benefit from using, any of the available simplifications or facilitations, including deferring customs declarations for standard goods. Traders who choose not to defer their customs declarations will also need to ensure that they have considered how they will make those declarations to Her Majesty’s Revenue and Customs systems, and, of course, whether or not they will use an intermediary. From January 2021, traders who are exporting goods to the EU will need to make export declarations and ensure that they have the right certificates and licences required for entry. While there is still work to do, substantial progress has been made to ensure that we all fulfil our promise to the British people and take back control.

The freedom to control our own borders brings many benefits. Our plans mean that we can introduce a migration policy that ensures that we are open to the world’s best talent, and my right honourable friend the Home Secretary has set out further details of that today. A new, points-based immigration system will ensure that we can attract the scientists, innovators and entrepreneurs who can power future economic growth. It will also help us to ensure that our NHS attracts the very best professionals from around the world to our hospitals. The new technology that we are introducing will allow us to monitor with far greater precision exactly who and what is coming into and out of our country, enabling us to deal more effectively with organised crime and other threats.

Control of our borders also means that we can choose the right trade and commercial policies for this country. The border operating model that we have published today provides clarity about the end-to-end journey of goods on the move between Great Britain and the EU, including information about controlled goods and the new government systems that will support future trade. I place on record the Government’s gratitude to the border sector for the practical knowledge, enthusiasm and expertise it has brought to the development of the operating model, which is the result of extensive consultation and collaboration.

It is important to note that, as the document makes clear, the border operating model does not cover matters relating specifically to the Northern Ireland protocol.

I reassure the House that guidance specific to Northern Ireland will be published in the coming weeks and on an ongoing basis throughout the transition period.

With autonomy comes the freedom to be practical and pragmatic in implementation, which is why, in the light of coronavirus and to give business and industry more time to adjust, we announced last month that border controls would be introduced in three stages up to 1 July 2021. In the first phase, from January 2021, traders importing standard goods will need to prepare for basic customs requirements. Full customs declarations will be needed for controlled and excise goods—such as alcohol and tobacco products—but people importing standard goods will have up to six months to make their declaration and to pay tariffs. Traders moving goods using the common transit convention will need to follow all the transit procedures.

In the second phase, from April 2021, we will require all products of animal origin, regulated plants and plant products to have pre-notification and the relevant health documentation. Any physical checks will continue to be conducted at the point of destination.

In the third and final phase, from July 2021, traders moving all goods will have to make full customs declarations at the point of importation and, of course, pay relevant tariffs. Checks for animals, plants and their products will take place at border control posts in Great Britain.

When we announced our approach to controls last month, we also confirmed that we would be building new border facilities in Great Britain to carry out the required checks, as well as providing targeted support to ports to build new infrastructure. The £705 million funding injection that we announced yesterday is on top of an already announced £84 million grant to ensure sufficient capacity in the customs intermediary sector. That money will be used to do just that: to prepare our border infrastructure for all the changes by improving and developing IT systems, recruiting more personnel and building new border posts.

The actions that we are taking today are an important step towards readiness for the new opportunities that Brexit can bring. It is time for our new start—time for us to embrace a new global destiny—and therefore I commend the Statement to the House.”

1.08 pm

Baroness Hayter of Kentish Town (Lab): My Lords, this Statement in fact sets out an enormous number of costs—costs to Parliament, to business, to taxpayers and to consumers.

First, on the cost to Parliament, we learned of these plans on Sunday, via Written Statements and in the *Telegraph*, rather than in Parliament. So it is not just York that awaits your Lordships’ House; Coventry is clearly being prepared for both Houses. The devolved nations hardly fare better, despite their responsibility for ports, airports, and human, animal and plant health. The First Minister complained of a lack of engagement with the Scottish Government in developing the new border operating model, and the Welsh Government at one point had mere minutes’ notice of an announcement within their bailiwick. That is no way to treat Parliament.

Secondly, on the costs to business, despite the promise of a deal with no fees, charges or tariffs and no new infrastructure, we in fact face significant disruption to trade from new border checks. This will cost business some £13 billion, let alone any loss of orders and increased import costs, in order to handle 200 million declarations a year. There is real alarm at the state of preparedness across businesses, which are already coping with Covid but have their wall diaries all pointing to the rapidly approaching 31 December. All they are promised is a welter of new red tape.

Thirdly, there will be a cost to taxpayers of £700 million for buildings and staff at borders, including new infrastructure, some at new inland sites. If the ports are not ready in time, any failures could break WTO rules, as we have heard from a Cabinet Minister. There are to be 500 extra Border Force personnel; an IT system not yet tested, let alone introduced; a 27-acre parking lot in Kent bought through emergency purchase of land, the Government having forgotten to tell the local council and, we hear, having to hastily hand-deliver letters to residents on a Friday ahead of work beginning on Monday; and an advertising campaign. We must hope that this will be more successful than the £46 million spent on “Get ready for Brexit”, which the National Audit Office found did not result in significantly better preparedness.

The NAO says that any future campaign should focus on what impact is needed and how behaviour change will be delivered, with resources targeted at activities adding the best value, and a consistent focus on key performance metrics from the start. Can the Minister confirm that lessons have been learned from that earlier exercise—or will just friends of those in the know be used for the campaign, without proper procurement, their USP being more in shared belief than proven campaign ability?

Fourthly and lastly, there is the cost to consumers. I have to say that the Statement’s talk of “significant opportunities” is particularly inappropriate for consumers. As the guidance makes clear, there will be extra documents for travelling, including an international driving permit for some countries; a return to the old green card, or proof of insurance; arrangements for pets needed four months before travel; and continuing confusion around which travel rights will continue. The Government, probably quite rightly, are advising people to get comprehensive travel insurance—more cost to consumers. Of course, there will be much more expensive medical insurance with the loss of the EHIC, especially—I declare an interest—for us oldies, or for those with pre-existing conditions. For consumers it will be all costs and no benefits.

There is no doubt that there was support across the country to get Brexit done, but the Government’s approach has been costly, reckless and disdainful of the views of constituent parts of the UK, of business and of consumers. We see symptoms of chaos and some dysfunction even within the Cabinet. Mr Gove wrote on Sunday:

“Leaving the European Union ... is a bit like moving house ... Taking back control of the money we send to Brussels means we can spend it on our priorities”.

I have to say that it feels more like a messy divorce, with cash going to lawyers and removal men rather than on the kids.

I have four questions for the Minister. The first is about the advertising campaign I have already mentioned. The second is to ask for reassurance that business will be engaged every step of the way in the design and implementation of IT and documentation systems, and that the devolved authorities will be part of the planning, not mere recipients of information. The third is whether consumer representatives will be similarly consulted. The fourth and last, still in hope, is whether the Government will return to the democratic process of making announcements in Parliament, rather than in Sunday newspapers. Let us have Parliament take back control.

Baroness Ludford (LD) [V]: My Lords, the Government are seeking to put an upbeat gloss on the plans for 1 January, under the strapline, “The UK’s new start: let’s get going”, but getting going anywhere is set to be a very big challenge for both people and businesses. Individuals will lose their free movement, free roaming, free healthcare and freedom to take a pet on holiday abroad at short notice. The Government claim that leaving the EU single market and customs union means that we will,

“regain our political and economic independence.”

It is in fact going to feel like “out of control” rather than “taking back control”.

In the other place on Monday Mr Gove promised “a free flow of freight”—[*Official Report*, Commons, 13/7/20; col. 1275.]

but nothing could be further from the truth. The UK will be moving from a highly integrated relationship with the EU to one in which trading with it becomes much more difficult. There will be customs forms, physical checks, new VAT rules, plant and animal health requirements, export declarations, a lorry park, and a vast new IT system—always a terrifying prospect. This is going to hit businesses struggling with the disruption and economic hit of Covid; perhaps they might just be getting their heads above water by December, at which point they will get hit by the Exocet of masses of expensive new red tape.

The Government have left it until 24 weeks before the end of transition to produce this plan. What have they actually done for the last four years? One sensible move would, of course, have been to extend the transition period, so as to avoid distraction from the pressing issue of dealing with the pandemic, but Brexit ideology, as always, trumped good sense. The complexity facing businesses can be judged by the fact that this government document comprises a dense 200 pages. As the Trade Secretary rightly highlighted in her striking letter of last week, the controls, IT systems and lorry parks will not be ready by the end of the year. This is the real reason they are being phased in over six months. Are we seriously to believe they will be ready by July next year?

Ms Truss urged

“it is essential that my department has a clear view of operation delivery plans, timescales and risks going forward.”

This suggests that the Trade Secretary has not been fully involved in plans for imports and exports. Can the Minister explain this extraordinary state of affairs? Ms Truss also pointed out that if, as predicted, the dual-tariff system is not in place for 1 January

“this may call into question NI’s place in the UK’s customs territory”.

[BARONESS LUDFORD]

What substantive reassurances can the Minister give us—and, more to the point, the people of Northern Ireland—on this point?

This Brexit burden will force companies to fill in an extra 215 million customs declarations every year, which Mr Gove's document acknowledged were "complicated". The cost for them is estimated at between £7 billion and £13 billion a year; this is on top of huge costs for the public sector. So this is where "our money back" will be going—not on the NHS, but on bureaucracy. Many firms will face the expense of hiring customs agents to complete new border formalities on their behalf. It is estimated that 50,000 of these will be needed, a figure that dwarfs the number of officials in the demonised European Commission.

The Trade Secretary, in her letter to Messrs Gove and Sunak, was worried about tariffs being dodged and asked for

"assurances that we are able to deliver full controls at these ports"—

that is, EU-facing ports—

"by July 2021 and that plans are in place from January to mitigate the risk of goods being circumvented from ports implementing full controls."

What she is talking about, of course, is the risk of smuggling and fraud; this is an astonishing admission, so what is the answer to how these risks will be addressed?

It is clear for all to see that the promises of "frictionless trade" and "an oven-ready deal" were mere empty slogans. We are seeing what my honourable friend in the other place, Stephen Farry MP, called

"the brutal reality of Brexit".—[*Official Report*, Commons, 13/7/20; col. 1279.]

It is no comfort at all for some of us to say, "We told you so."

The Minister of State, Cabinet Office (Lord True)

(Con): My Lords, I am grateful to both noble Baronesses for their welcome for the Statement made by my right honourable friend—with modified degrees of rapture, I must confess to the House, but I always benefit from their comments and, as ever, I will try to listen and learn from them. However, I shall say one thing as a premise—I think the noble Baroness will know that I am going to say it, but I make no apology for it because it was reasserted by the British people last December. The British people twice made a very firm declaration that they wish to go forward as a sovereign nation outside the European Union, and did so in full knowledge of the circumstances that would obtain. No one in this House or in this polity can assert that, over four years of debate on the question of leaving the European Union, any question was not unearthed in that time. The British people resoundingly reasserted their verdict last December, and this Government intend to implement, and are implementing, that. I believe that that is the inescapable, underlying point which we never hear from the other side.

On costs, of course the Statement acknowledges that there will be elements of cost. The Government do not accept the cost estimates that both noble Baronesses referred to, and indeed it has become clear that some of those who made the calculations did so on the basis

that every document would be filled in manually. That is not the case; we are moving to a new, modern, smart border.

I make no apologies for the additional expenditure which the Government are undertaking to secure our borders and provide a modern, effective border. Indeed, the noble Baroness, Lady Ludford, made the point very powerfully—and I agreed with it—that we need to have an eye to smuggling, the abuse of modern slavery, and so on. Part of this package is employing more Border Force operatives and indeed investing in new facilities and IT and opportunities for Border Force to control more effectively our borders and operate against crime. I believe that that is important. The whole £705 million package which has been announced will serve this country well and will be welcomed by most of those involved.

Another point that did not come out in the statements from the noble Baronesses opposite is the welcome that British business has given to the publication of the border operating model. This model was not sprung on business, as was implied, but is the result of lengthy, ongoing discussions and previous documents and conversations, and it reflects the wisdom of many business sectors and operatives. That is why it has had the welcome it has had. Again, my right honourable friend the Chancellor of the Duchy of Lancaster made it clear that there was further material—"i"s to dot and "t"s to cross was I think the phrase he used—and I can assure the House that those conversations and that engagement will continue with business in every part of this United Kingdom.

Although border control is a reserved matter, I refute the view that the devolved Administrations are not appropriately engaged. Obviously, I am always concerned when I hear that there is dissatisfaction about that and I take that back, but I can assure the House that efforts are constantly made, and indeed that engagement takes place on a regular basis and will continue to do so.

On the advertising campaign, which both noble Baronesses asked about, again, there has been a very wide welcome for this. Again, the Government make no apology for undertaking this campaign and committing extensive resources to it. It is important that business and consumers and the people of this country should be fully ready and aware. The noble Baroness rightly referred to the importance of consumers, and I can assure her that an eye will always be held to the views of consumer groups. However, I can also specifically answer her question on the NAO recommendations. She makes an important point and those recommendations have been taken on board by the Government. There will be staged monitoring of the effectiveness of the campaign and it will adhere to the proper requirements of government advertising. I give her that assurance in the House; I hope that is sufficient, but if she would like me to provide further details, I should be happy to do so, because it is a valid point and I fully take it on board.

The noble Baroness asked about business engagement, and I hope I have answered that. It is not something that suddenly started or will suddenly stop. Business engagement will continue as the process develops over

the next few months. I am sorry that the noble Baroness feels what she said about Parliament. I think she knows that I have a profound respect for Parliament, particularly having spent most of my life on the Back Benches and never expecting to be standing at the Dispatch Box. As I understand it, the normal courtesies were followed with the Statement at the other end but, if they were not, I will look into the matter. However, my own view is that the fullest co-operation with opposition parties, and indeed with those of no party, is the best way to get Parliament and this revising House to work at their best.

I think that that covers most of the points that the noble Baroness raised. I do not accept this stuff about a lorry park. Work is ongoing in terms of what kind of infrastructure and facility will be required, not only behind the Dover Straits or in co-operation with the Dover Straits crossing but with other ports in the land. Those consultations are ongoing and the Government intend to provide such support as is needed to ensure that there is the fullest and freest flow of trade everywhere. I can assure the House that other ports, not just in the south-east, are taken care of. I note what the noble Baroness said about my right honourable friend's contact with local MPs in Kent, and I believe that that represents accurately that those conversations will be taking place.

On the points made by the noble Baroness, Lady Ludford, she will know that, with the greatest respect, I diverge from her just a little on both the past history and the present analysis. As she knows, it is not the normal custom for this Government, or any Government, to comment on leaked documents, so I cannot pursue her into a detailed parsing of the letter that she has in her hands. She will know, because until recently the Liberal Democrats were also a party of government, that there is constant give and take within government. There is conversation within and outside government. That is how best policy is formulated, and the policy which is on the table and which I present to the House is the collective, agreed and actively supported policy of Her Majesty's Government.

On Northern Ireland, which the noble Baroness raised, she will know that the union is close to my heart personally and indeed to that of my principal, the Chancellor of the Duchy of Lancaster. The border operating model obviously does not apply specifically to Northern Ireland, but a document will be published later this month that will refer to and cover the situation in Northern Ireland. Yes, I can confirm that there is a supported programme to secure intermediaries and customs agents: we have discussed that in the House before. Again, I make no apology for that support and expenditure; it is important to secure the modern and effective borders that we need.

There are great opportunities here not always mentioned by those on the other side. In future, I am certain that, with the help being offered through the operating model and the advertising, our exporters will be ready to take advantage of new free trade agreements that we are negotiating with some of the world's fastest-growing economies. Our small businesses will be ready to grow as we regulate our own industries in a way that works for them. Our economy will be ready to attract the best and brightest from around the world as we introduce a new points-based immigration

system, and our fishermen, God bless them—fisherfolk—will be ready to flourish as we again take control of our coastal waters. We are ready for the opportunities in front of us and I believe that this Statement carries those forward.

The Deputy Speaker (Baroness Henig) (Lab): We now come to the 20 minutes allocated for Back-Bench questions. I ask that questions and answers be brief so that I can call the maximum number of speakers.

1.32 pm

Lord Howard of Rising (Con) [V]: Can the Minister confirm that the sums referred to by my right honourable friend the Chancellor of the Duchy of Lancaster are sufficient to ensure the free flow of goods through UK customs? If not, perhaps they could be increased. I also ask my noble friend to urge Mr David Frost to insist to Mr Barnier that the EU pays at least 50% of all the UK's costs in setting up these customs facilities. These arrangements are only for the convenience of the EU; after all, the rest of the world already has adequate arrangements. The EU has a £90 billion surplus in traded goods with the UK; it should contribute to the cost of setting up something so advantageous to itself.

Lord True: My noble friend has been an indefatigable fighter for the independence of the United Kingdom from the European Union, so I fully understand the direction from which he is coming. He makes an interesting point. Whether, if I sent him in to bat as our negotiator, it would improve the temper of Monsieur Barnier, I am not sure, but I am grateful for his comments.

Lord Kilclooney (CB): My Lords, naturally, I must, because of the time limit, restrict my questions on Northern Ireland and internal trade within the United Kingdom. First, on trade from Northern Ireland to Great Britain, there is great concern among business and trade unions: what does unfettered trade with Great Britain mean? Can the Government urgently clarify this question for the people of Northern Ireland? As for trade from Great Britain to Northern Ireland, we accept that there will be new administrative costs. This will hurt the people of Northern Ireland; it will increase their costs as well. Will the Government consider a contribution towards those extra costs? Finally, if there is no agreement during this transition period, will the European Union require neighbouring nations to apply tariffs to United Kingdom trade to those countries?

Lord True: My Lords, on the first question, unfettered access from Northern Ireland to Great Britain is a fundamental core of the Government's objectives, and I hope that will be reiterated in and around the documents I referred to, coming out later this month. As for some of the costs going over, particularly in relation to agri-foods, which, as the noble Lord will know, raise particular issues, we have discussed this, and the Government will be making a contribution on those elements. On his wider point about the EU, I never comment on EU policy. It is still our hope that we will get a free trade agreement.

The Lord Bishop of St Albans [V]: My Lords, most larger businesses will have the personnel and resources to advise and steer them through the transition period. However, some SMEs are very worried about how they will navigate complex regulations with little support. One feature of the lockdown is that it has often been impossible to speak to an adviser on a helpline and people have been directed to websites that are difficult to use. Can the Minister assure the House that there will be sufficient resources, including helplines staffed by knowledgeable people who can help SMEs as they go through this process?

Lord True: My Lords, unfortunately, I could not hear absolutely clearly. I will say, first, that the advertising campaign will certainly be directed to both businesses and individuals. The right reverend Prelate makes the wise point that specialist advisers will be available to help; it will not be simply a question of looking at a website, although I think the government website is to be commended.

The Earl of Kinnoull (Non-Aff) [V]: My Lords, the Statement says that the guidance for Northern Ireland is to be published

“in the coming weeks and on an ongoing basis throughout the transition period”.—[*Official Report*, Commons, 13/7/20; col. 1270.] We heard a bit from the Minister about “in the coming weeks”, but it is clear that Northern Ireland is far from being in the same position as the rest of the UK. Is it really the case that Northern Ireland business could be receiving vital guidance in December, as the wording of the Statement implies, and will Northern Ireland be able to take full advantage of the phased approach outlined in the Statement, given the terms of the Northern Ireland protocol?

Lord True: My Lords, the noble Earl rightly says that Northern Ireland is on a separate track and governed by a separate protocol. Discussions are ongoing, as I think he knows. There will, as I told the House, be further information later this month. I take note of the points he makes about the timescale. The Government are well aware of the need for clarity and proper dispatch in carrying this forward.

Lord Rooker (Lab) [V]: What preparation has been made for 1 January 2021, when the UK will be out of RASFF, the rapid alert system for food and feed? Only EU members and EEA states, along with Switzerland, can receive the alerts—up to 10 a day in real time on major safety issues. What is the Government’s plan? The system started in only 1979, so there is nothing from the past to fall back on.

Lord True: My Lords, on the absolute specifics of what the noble Lord raises, which is an important issue, it would probably be better if I provide him with a detailed reply in writing.

Lord Purvis of Tweed (LD): My Lords, on 27 February a noble Lord, Lord True—I believe it was the same one—was asked in the House about concerns that there would be friction for business in imports and exports. He said that the Government hoped that any friction “will be minimal or non-existent”.—[*Official Report*, 27/2/20; col. 286.]

Now that we know that 150,000 companies are likely to have over £200 million in export declarations, why does he believe that that noble Lord, Lord True, was so wrong? If the Minister does not accept the HMRC assessment of business costs—his own document says that HMRC is responsible for business trade data—what is the Government’s information on the business costs of the procedures they are now putting in place?

Lord True: My Lords, I acknowledged in my response that there will be costs. I repeat what I said in the past—it is always pleasant to be reminded: the Government’s intention is that those be minimal. In the case mentioned by the noble Lord, Lord Kilclooney, access from NI to GB should be unfettered. I have given a reason why we do not accept the high end-costs which have been suggested, and I stand by it.

Lord Dobbs (Con): My Lords, does my noble friend notice any correlation between those who always accuse us of rushing ahead with Brexit and those who now say we are preparing far too slowly? It baffles me. Much more seriously, has he noticed the recent Centre for Social Justice report which estimates that there are more than 100,000 modern-day slaves in this country? It is an appalling, terrifying figure. Will he join me—I hope the whole House will do so—in welcoming the fact that Brexit will give us not only control over our borders but the tools to help us deal with this evil of modern-day slavery and human trafficking?

Lord True: My Lords, I have noticed some of the correlations to which my noble friend referred, but I will take the more important point he raised. I have indeed seen the Centre for Social Justice report he refers to. This is a profound evil and a profound scandal and, as I think I said in my opening remarks, the Government’s hope and intention is that having control of our borders will enable us to deal with these brutal criminal gangs more effectively.

The Earl of Clancarty (CB) [V]: My Lords, is the Minister mindful that the stricter the conditions imposed on those entering the UK, the harder it will be, reciprocally, for UK workers to operate in our all-important service industries in trading with Europe, our closest neighbour? Whether Canada-style or the Australia model, it will be a disaster for our services trade with Europe if the restrictive commitments of Mode 4 are applied without an appropriate mobility framework. What steps are the Government taking to effect such a deal?

Lord True: My Lords, the noble Earl goes into areas that are subject to negotiation. I take note of the points he makes, but this Government are established by their action on citizen rights, and we are aware of the impact on individuals of the new circumstances.

Lord Young of Norwood Green (Lab) [V]: My Lords, I declare an interest as a member of the EU Environment Sub-Committee. We have recently had a number of meetings with Northern Ireland stakeholders, and I am going to refer to a letter we received recently from the Northern Ireland Assembly, raising a number

of concerns. I will be brief, but if the Minister cannot deal with all of them, I would appreciate a response in writing.

On EU approval of ports and airports as border control posts, the committee is aware of the need for ports and airports to submit detailed applications to the EU in order to be designated as border control posts. These are needed to check goods arriving from GB's jurisdiction. So, the worry is the amount of time that it is going to take and whether the Government feel confident about that being dealt with. Designation of goods at risk is another concern, but I am going to focus on the volume of work to be carried out by departments, committees and the Assembly. The committee has been briefed by the Minister of Agriculture, Environment and Rural Affairs and his officials on the volume of work required to implement the protocol by the end of the transition period. The department has shared information on what it considers necessary to deliver a minimum viable product by 31 December. Much of that MVP will require legislation being made in the Northern Ireland Assembly alongside UK government departments. Can the Minister be confident there is enough time for this to be done by 31 December, that the lines of communication with the stakeholders in Northern Ireland are open and ready for action, and that the document due later this month will deal with many of these issues?

Lord True: My Lords, the Government have their eye very much on this ball, and we are confident we will reach a place where we can implement the protocol in a pragmatic and proportionate way, while protecting Northern Ireland's place in the United Kingdom.

Lord Oates (LD): My Lords, the Minister said in his reply to the Front Benchers that no question has gone unanswered over the past four years. Yet, as we have heard from the noble Earl, Lord Kinnoull, among others, the Statement still provides no guidance to Northern Ireland business on the border operating model relating to the Northern Ireland protocol. We know, however, that customs security and transit forms will now be required on all goods travelling from GB to Northern Ireland. So, can the Minister explain to the House why the Prime Minister claimed during the election that such forms would not be required when he must have known it was not true and was never going to be true, as the Government have now confirmed?

Lord True: My Lords, I again repeat that a further document will be published, but our proposals will deliver to NI businesses unfettered access to the whole UK market. We will ensure no tariffs on goods remaining within the UK customs territory. We will uphold our obligations without any new customs infrastructure and we will guarantee that Northern Ireland businesses benefit from new United Kingdom free trade agreements.

The Deputy Speaker (Baroness Henig) (Lab): I now call the noble and gallant Lord, Lord Craig of Radley. No? I shall move on to the noble Baroness, Lady Pidding.

Baroness Pidding (Con) [V]: My Lords, the UK leaving the European Union provides some fantastic opportunities for this country to build on our

manufacturing prowess. Can the Minister outline what progress has been made towards a trade deal that protects and enhances the future of the UK automotive industry?

Lord True: My Lords, significant progress has been and is being made, and some of the dire forecasts for that great industry, which is vital to our future, have not proven justified. So, I can assure the House, and I hope that I or my colleagues can bring to the House, further and continuing good news about free trade agreements.

The Deputy Speaker: I now call the noble Lord, Lord Griffiths of Burry Port. No?

Baroness Scott of Bybrook (Con): My Lords, there is a technical problem. We will adjourn for five minutes.

1.48 pm

Sitting suspended.

1.53 pm

The Deputy Speaker: My Lords, I call the noble and gallant Lord, Lord Craig of Radley. No?

Baroness Scott of Bybrook (Con): It seems that the technical fault has not been cleared.

1.55 pm

Sitting suspended.

2.05 pm

Lord Craig of Radley (CB) [V]: My Lords, this guidance has been developed in consultation with the devolved Administrations and British businesses. Can the EU therefore be confident that goods shipped from, say, Zeebrugge to ports in either England or Scotland, or from Northern Ireland to either country when the protocols are in place, will be subject to identical checks in all regions of the UK—checks that will not be varied by the devolved Administrations?

Lord True: My Lords, management of the borders is a reserved matter. The procedures laid out here are intended to apply to all ports. As I said, a specific document referring to the management of trade in Northern Ireland will be published shortly.

The Deputy Speaker: I understand that the noble Lord, Lord Griffiths of Burry Port, no longer wishes to speak, so I call the noble Lord, Lord Roberts of Llandudno.

Lord Roberts of Llandudno (LD) [V]: I checked, and Dublin Port has spent €30 million in preparation for the new arrangements after the European Union loses the United Kingdom. I decided to check the other side of the Irish Sea: Holyhead. I phoned a number of people this morning. I asked a couple of the councils, the freight line and a couple of councillors, "What's

[LORD ROBERTS OF LLANDUDNO] happening in Holyhead? Dublin has spent €30 million.” They said, “We haven’t done anything yet.” With just 20 weeks to go, will the Port of Holyhead and the other ports be ready for the new arrangements?

Lord True: My Lords, as the House knows, the arrangements will be phased in until summer next year. We have announced £470 million to build port and inland infrastructure. As I told the House, that will be in relation not just to the Dover Strait. I have said in the House before that we recognise the great importance of Holyhead. I assure the noble Lord that we will pursue that matter.

Lord Dubs (Lab) [V]: My Lords, could the Minister clarify his reference to lorry parks, especially in Kent? There is great local concern there. Will he confirm that if there is to be a lorry park in Ashford it will be only temporary? More specifically, what have the Government worked out as the likely time it will take to clear an HGV arriving in Dover, either at the Port of Dover or in a car park nearby, under the new arrangements that will come fully into force in July?

Lord True: My Lords, as I think I said earlier, the specific places for the inland infrastructure are still under discussion, as are the specifics about the site in Kent. However, the purpose of this is to achieve what the noble Lord asks for. A good deal of stuff can be done away from the immediate border so that trade can be processed as quickly as possible. I will not give a specific time in minutes or seconds for any particular activity, but the Government’s objective is to make it as swift, easy and effective as possible.

2.09 pm

Sitting suspended.

Arrangement of Business

Announcement

2.16 pm

The Deputy Speaker (Lord Russell of Liverpool) (CB): My Lords, some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. The usual rules and courtesies in debate apply. The time limit for the joint debate on this and the two other Motions is one and a half hours.

Enterprise Act 2002 (Specification of Additional Section 58 Consideration) Order 2020

Motion to Approve

2.16 pm

Moved by Lord Callanan

That the Order laid before the House on 22 June be approved.

Relevant document: 21st Report from the Secondary Legislation Scrutiny Committee (special attention drawn to the instrument)

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

(Con): My Lords, I thank the Secondary Legislation Scrutiny Committee—particularly my noble friend Lord Lindsay—for reviewing this order and the Enterprise Act 2002 (Share of Supply) (Amendment) Order 2020. The committee reported on these orders, noting that it considers that policy changes made by them are potentially very significant. I look forward to debating the nature of them with colleagues here today. These orders are being debated together because their causes and their consequences overlap. Both amend the circumstances in which the Government can intervene in mergers and acquisitions. Both respond to a need exposed or magnified by the Covid-19 crisis, and both amend the Enterprise Act 2002, which set the legislative framework for the Government to intervene in qualifying mergers and acquisitions.

I will explain briefly what each order intends to achieve and the rationale for so doing, beginning with the specification of additional Section 58 consideration. Section 58 of the 2002 Act specifies the circumstances in which the Government can intervene in mergers on public interest grounds. There are currently three such grounds: national security, media plurality, and financial stability, the last being added in 2008 following the financial crisis. The order adds a fourth public interest consideration to that list, namely the need to maintain in the UK the capability to combat and mitigate the effects of public health emergencies. In short, it ensures that the Government have the power to preserve critical public health and crisis mitigation capabilities in the UK, and that they can therefore safeguard the welfare of the British people.

The need for such measures has been exposed by the Covid-19 pandemic. All Members will recognise the hard work, dedication and commitment of firms up and down the country in responding to the crisis. They have been critical in getting us through the pandemic and will be just as important in rebuilding the economy in its aftermath. However, the very qualities that made these firms so critical to our response put them at risk from opportunistic investors. The vast majority of investors are an immense boon to this country, but an unscrupulous minority use UK capability to advance their own agenda at the expense of the British people.

Recently, we have seen attempts across the world to buy priority access to vaccines, to control the flow of personal protective equipment and to limit the availability of certain drugs. The Government have been clear that we will not allow this to happen to UK firms as a result of qualifying takeovers. The order creates the legislative framework to prevent that from happening.

Companies directly involved in combating public health emergencies, such as drug companies, are those that are most at risk. However, this order also allows intervention to maintain UK capability in mitigating the effects of a public health emergency. That might be necessary if there were risks to firms in our food supply chain, for example, or to companies that allow us to work safely during a pandemic by helping to slow the spread of a virus while allowing us to mitigate the impact on our economy. Such companies may

include internet providers, for example, whose fibre broadband allows people across the country to work from home, order food and essentials from their living room and keep in touch with family members.

The second order that we are considering today—the Enterprise Act 2002 (Share of Supply) (Amendment) Order 2020—amends Section 23A of the Enterprise Act 2002. That section includes a list of “Relevant enterprises”, which are sectors where the threshold for government intervention in a merger is lower than that for other businesses. The relevant enterprises listed in the Act are all in particularly sensitive sectors where there is a public interest or a national security case for allowing the Government to intervene more readily. As it stands, Section 23A sets out three such sectors: military or dual-use technologies, quantum technology and computing hardware. The order adds a further three relevant enterprises to the list: “artificial intelligence”, “cryptographic authentication” technologies and “advanced materials”.

Businesses falling within those categories are often at the forefront of research and innovation. They are small businesses producing cutting-edge technology which may not yet be commercially viable, but which can have implications for our national security. Break-throughs in those fields underpin other areas of societal and economic development and are critical to areas such as defence and security. Ownership of businesses in those areas can therefore undermine our national security through espionage, sabotage or exerting inappropriate leverage, and puts us at risk of losing our advantages in security and defence.

I repeat that the vast majority of investors in this country have entirely noble intentions. The order seeks to deal with the tiny minority who invest maliciously with a view to exploit or do harm. The Covid crisis has brought this matter to the fore, magnifying the potential risk to national security. The depreciating effects on sterling and the financial pressures of a decrease in investor confidence all make us more exposed to opportunism. It goes without saying that the Government must be able to mitigate national security risks, and this requires our being able to intervene in mergers in the areas set out in this order, all of which are critical to our nation’s security.

In addition, we propose to make a second instrument before commencement of the share of supply order by the negative resolution procedure. That will allow the Government to intervene in mergers involving the new relevant enterprises where their UK turnover is more than £1 million. That is consistent with the other relevant enterprises listed in Section 23A. The order is a short-term measure that will apply until more fundamental reform can be taken forward in the national security and investment Bill. Such a measure is necessary given the immediate risk that we face as a result of the pandemic.

Having set out what these two orders will do, I will now say briefly what they will not do. They do not affect our commitment to an open economy. They do not alter our appetite or our enthusiasm for investment into the United Kingdom, and they do not change the fact that now, more than ever, foreign investment is the lifeblood of our economy. It created more than 57,000 jobs in 2018 alone. We have no wish to create

barriers to business—quite the reverse—and permitting intervention does not mean that the Government will interfere unduly. There have been only 20 interventions under the Enterprise Act and none has resulted in blocked mergers. Rather, these are proportionate, reasonable and necessary measures to maintain capability in public health emergencies and to protect our national security, ensuring that the UK is open for business, but not open for exploitation. I beg to move.

2.25 pm

Lord Stevenson of Balmacara (Lab) [V]: My Lords, I thank the Minister for introducing these statutory instruments today in his usual clear way. As he said, these SIs amend the Enterprise Act 2002 to enable the Secretary of State to intervene in mergers on two new grounds: by lowering the jurisdictional thresholds for reviewing transactions affecting UK-targeted companies involved in AI, cryptographic authentication and advanced materials; and by introducing a new criterion for intervention to preserve UK critical health and crisis mitigation, including but not limited to those needed for Covid-19. He stressed that these were short-term measures until more fundamental reform was taken forward in the now long-promised national security and investment Bill.

I tabled a regret Motion which stems from the report of the Secondary Legislation Scrutiny Committee and relates to four main points. There is a discrepancy between the apparently permanent changes set out in these SIs and the accompanying comment from BEIS that more fundamental change is in train. There is a lack of any information about the timing or content of the national security and investment Bill other than its antecedent, the White Paper 2018, which now seems a very long time ago. The committee suggests that the draft Bill be published forthwith and be subject to comprehensive debate and pre-legislative scrutiny. Further, the committee suggests that a better lens for consideration of the impact of mergers and takeovers would be to include their impact on consumers and consumer detriment. I will briefly expand on those points and look forward to the debates from other noble Lords who signed up to speak.

We broadly welcome the intention behind these reforms, which mirror changes to FDI in other countries, including France, Germany, Australia and Canada. The Minister is right to stress that these do not alter our commitment to having an open economy, which we support, and they are not against FDI, which has done so much to improve the quality of work in this country and the jobs available, and they are certainly not about putting up barriers. The country must remain open for business.

However, experience shows that many new tools must be available if we are to combat action and reaction to pandemics. These reforms presumably reach out, as the Minister said, to pharmaceutical and medical equipment suppliers, but they also seem to extend further. As he mentioned, they look at the effects of the pandemic including on food supply and service providers such as the internet. That is a very wide reach. Will the Minister confirm that this new power could also be used to prevent hostile takeovers of otherwise profitable and stable companies suffering

[LORD STEVENSON OF BALMACARA]
 short-term reductions in profitability or depressed share prices as a result of the pandemic or similar emergency? Will he also confirm that notifications to the CMA will remain voluntary, even though the intention remains to mitigate risks in the short term, which suggests that a more direct route of action might be required? Will there be further guidance on what might trigger this power, which has been criticised as being potentially very broad, and, if so, when that will be published?

The Government last lowered the jurisdictional turnover thresholds of the UK merger control regime in June 2018, when we passed an SI concerned with the development and production of military and dual-use technology, computing hardware and quantum technology. At that time, the threshold in relation to UK target company turnovers was lowered from £70 million to £1 million, which is a big change, and the 25% share of supply, which the Minister mentioned, was amended. We supported the moves at that time, but we questioned whether other sectors should be included. But these were described at that time as temporary, short-term reforms, again pending primary legislation. Is that still the situation? Can we expect more changes when the Bill finally arrives? When does temporary and short-term actually morph into permanent?

We now have a proposal to extend these already amended jurisdictional thresholds to three further sectors under quite broad headings—artificial intelligence, cryptographic authentication and advanced materials. The Explanatory Memorandum makes it clear that the intention is to cover producers but also researchers, and it covers suppliers to these companies, so the scope is again potentially very wide. There is a promise of further guidance on this. Will the Minister give us some more information on when that will be available? Again, the notification system will be voluntary, and companies will have to take the risk of the CMA or the Secretary of State initiating an investigation. Is that really the most sensible way of proceeding?

The outstanding questions that my regret Motion raises and that I would like the Minister to respond to are as follows. As the SLSC says, it is very difficult to scrutinise these SIs. Indeed, it will not really be possible to do so until we see the national security and investment Bill itself. When will it be published? Will there be pre-legislative scrutiny? If not, why not? Can the Minister settle the question of whether the changes set out in these SIs are intended to be temporary, in the sense that they might be unwound in the NS and I Bill, once it arrives, or are they permanent? Can he confirm that it remains the Government's intention to unwind the earlier June 2018 amendments once the new regime is in place, or are they now permanent? Can the Minister confirm whether the new Bill will follow the proposals in the 2018 White Paper? The world is a very different place now, and I wonder whether, for example, the voluntary notification system is really sufficient for national security concerns. Also, will there be turnover cut-offs or sectoral cut-offs? What about regional and place considerations?

Finally, why are consumer interests not given a central part in this process? The CMA, under its recent chair, the noble Lord, Lord Tyrie, was rightly

refocusing work around the prevention of detriment to consumers. Its recent consultation on its 2020-21 plan stressed that competition, particularly in digital markets, was getting weaker in many sectors and that practices that damaged effective competition needed to be eliminated. In a sense, this is the other side of the same coin which is being addressed by these SIs.

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

Lord Stevenson of Balmacara [V]: I am just winding up. I accept that some mergers and acquisitions affect national security, however it is defined, but all mergers and acquisitions affect consumers, so can the Minister confirm that consumer detriment will form part of it? I beg to move.

2.32 pm

Lord Bruce of Bennachie (LD) [V]: My Lords, I thank the Minister for his clear introduction and welcome these instruments. Although undoubtedly necessary, they are a little late. I note the regret Motion of the noble Lord, Lord Stevenson, and the details that he set it out with, but I want to explore how much scope we have to apply these instruments in the rapidly changing world we operate in. In just a few months, the UK will be leaving the shelter of the transition from the EU to full exit on, as yet, unknown terms. The pandemic and the turbulent vacillation over Huawei have brought into sharp focus the weakness of the UK's competition rules from a strategic point of view.

The failure of the Government to ensure adequate supplies of PPE and the waste of time and money on a predictably failed tracing app exposes vulnerability in terms of both domestic supply and access to global markets. UK research into vaccines and treatments for Covid-19 appears world-class, but they are not exclusive. Trying to ensure that, when suitable developments are secured, the UK population gets early treatment is, of course, justified, but we need to acknowledge that other countries may have more and better answers, and we should not be so protective of our own that we limit our access.

We should certainly facilitate making vaccines and treatments available to poor and vulnerable people across the world. Although foreign investment has sometimes been responsible for UK inventions turning their profit elsewhere, it has also sometimes facilitated extending our global reach, development and application. So, as we start to negotiate new trade deals, caught between not trashing our EU markets while hoping to gain privileged access to non-EU markets, this could lead to arm twisting that may undermine the stated objective of these other orders. In other words, we may wish to apply them, but we may find that it compromises our ability to negotiate trade agreements with other countries.

Finally, can the Minister give a steer as to whether the legislation that the Government are planning for when we have left the EU will be in place by the end of the year, and whether they will respond to pre-legislative scrutiny, as the regret Motion of the noble Lord, Lord Stevenson, requests?

2.34 pm

Lord Lansley (Con) [V]: My Lords, I served on the Standing Committee of the Enterprise Act back in 2002, and at that time the public interest intervention was limited to national security and quite narrowly defined. As the noble Lord said when he introduced these orders, it has been extended considerably since. Frankly, I think it is right to do so and I think that these orders are correct, too. In saying that, I stress that the guidance published in June by the Government very well illustrates that. The point was made that if companies developing new antibodies or a vaccine were to be taken over by overseas entities, the potential loss of control of that intellectual property would be very significant.

Much of the public interest interventions now, in these orders and elsewhere, are really about intellectual property. With our Government quite rightly investing a great deal of taxpayers' money in IP, we must be sure to avoid overseas acquisitions of UK interests that deprive us of the benefit of that UK-generated IP. The turnover test and the share of supply test should be sufficient—but if, for example, one puts IP into a small company which is not necessarily trading otherwise, we may also need a transaction value test, and I hope Ministers will consider that.

I have one final point that I do not want to be lost. I was involved in introducing the public interest test on media mergers in 2003. There is unfinished business in redefining “media” for the purposes of Section 58 of the Enterprise Act, and I do hope that Ministers will get on with that, too.

The Deputy Speaker (Lord Russell of Liverpool) (CB): The noble Lord, Lord Empey, has been unable to join this call, so I call the noble Lord, Lord Reid of Cardowan.

2.36 pm

Lord Reid of Cardowan (Lab) [V]: My Lords, there is obviously a heavy element here of trying to close the stable door after the horse has bolted. Indeed, both horses have bolted: the Covid pandemic and the cybersecurity issue. But the problem is that even now the stable door has not yet been closed effectively. The new grounds on which the Secretary of State might intervene in mergers are short-term measures until more fundamental reform is taken forward through the National Security and Investment Bill, as the Minister said. But we do not know what is going to be in that Bill, so it is very difficult to judge these changes. As the SL committee says, the House will be able to scrutinise the issue properly only when the Bill is being considered. Incidentally, the committee also asked the department to give a timetable for the introduction of the Bill without delay. The Minister missed that point, and I am not aware that any such timetable has been provided or published.

Secondly, if the Bill that is to come before us is based on the 2018 White Paper, this raises a number of other issues of concern. Are these proposed measures really temporary or are they permanent? Will the Bill unwind these and other recent changes to jurisdictional thresholds made in 2018? Will the new regime be

mandatory or, as the White Paper suggested, based on a voluntary notification system? Will there be a turnover or market share threshold applied? I regret that none of these questions has really been answered today. I would very much like to welcome these measures, but I think that the House has been left in a very unsatisfactory position.

2.38 pm

Lord German (LD) [V]: My Lords, the Government have frequently used the argument that substantial policy changes should not be made as a result of the coronavirus pandemic, and that mixing a permanent policy change with a policy designed to deal with the Covid-19 crisis is to be avoided. In fact, this very argument was used by the Government this week in rejecting an amendment to the rules on bounce-back loans in the Business and Planning Bill. Well, here we have the Government making the very opposite argument to the one they made in another measure affecting the future of our economic base.

Also this week, the Government deployed this argument about a no-smoking ban in the spaces outside pubs and restaurants, where pavements are now being made available to these businesses. So next week, when they try once again to resist these amendments, I hope that they will not try to deploy arguments that run counter to those they are using today. I have no issue with the Government seeking to advance these policy changes, even when opportunities arise from the pandemic. I am simply asking for consistency.

The Government say that these regulations are “brought into focus by the demands placed on the UK by the COVID-19 pandemic and its impact on the economy” and that

“as a result of the economic uncertainty caused by the pandemic, usually stable businesses may be suffering a short-term impact to their share price or profitability”.

But they go on to say that the measures are “not time-limited to the current pandemic”

and are therefore permanent. So, despite what the noble Lord is saying about a Bill yet to come, these regulations are permanent until such time as the Government alter them; there is no time limit in these regulations at all. So, in supporting these measures, I hope that the Government will explain their volte-face on policy-making in the same week—in fact, within the space of three days.

2.40 pm

Lord Moynihan (Con) [V]: My Lords, the orders before the House are a considerable intervention to those engaged in or contemplating the acquisition of UK companies. In the context of the specification of additional Section 58 considerations, they seem measured, particularly in the context of Covid-19, and will command support—although it is regrettable that, following the 2018 White Paper, as noble Lords have said, they could not have been considered in the context of the NSI Bill.

However, having lowered the jurisdictional thresholds of the UK merger control regime from £70 million to £1 million in three specified sectors, we are now considering artificial intelligence to become a further sector. I put

[LORD MOYNIHAN]

it to my noble friend the Minister that, despite the Explanatory Memorandum and the information published by government, this could cover all UK businesses involved in artificial intelligence, including providers of components or related services under the share of supply amendment order.

Many of your Lordships and leading lawyers, not least the first-rate team at Herbert Smith Freehills, would welcome the Government making detailed guidance available—quickly—so that sufficient clarity is available to companies either directly involved in artificial intelligence or where artificial intelligence comes within the scope of their business. The guidance needs clarification urgently to avoid unintended consequences away from national security. I look forward to my noble friend the Minister’s reply.

2.42 pm

Lord Adonis (Lab): My Lords, I support these orders but, crucially, they depend on the role of the Competition and Markets Authority. I wish to put two specific questions to the Minister, if I may, because there is real concern about the CMA being both weak and leaderless; it is by definition leaderless because its chair has just resigned.

First, can the Minister tell the House when it is intended that the new chair of the CMA will be in place? Secondly, I assume, subject to what the Minister said, that the recruitment process is ongoing. When the Government seek to recruit that chair, what will their response be—because potential candidates will definitely ask about this—to the remark of the noble Lord, Lord Tyrie, in his resignation letter that he sought to set up

“a new type of competition authority, one better equipped to understand and respond to what most concerns ordinary consumers”? Do the Government agree with that prospectus for the CMA in future? If so, pursuing what the Minister said about having a robust, pro-competition stance, will that approach be embedded in the expectations of the new chair when they take over the CMA, which I think we all hope will be at an earlier rather than a later date?

2.43 pm

Baroness Falkner of Margravine (Non-Afl): I welcome the inclusion of public health emergencies as a public interest consideration under these measures.

I know that other countries have experience of why these measures are needed; take the recent example of the German biotech firm CureVac, which was in the process of launching an IPO on the NASDAQ this month. According to the *Financial Times*, the German Government, acting on the basis that the US Government had sought to take over the group in order to secure a supply of a Covid-19 vaccine, bought a 23% stake in it—equivalent to €300 million—through KfW, the state-owned development bank. They were able to do so because German legislation from 2017 allows them to intervene in any acquisition of a German company if it endangers “public order” or “Germany’s fundamental security interests”. The House may be interested to know that several Chinese actors had bought out or tried to buy strategic German firms until that point.

I also want to press the Minister on why our categories of these sectors are so relatively narrow. The German legislation now takes in companies that produce software for power plants, energy and water supply networks, electronic payments, hospitals and transport systems, in addition to the normal national security considerations. The German Government widened their legislation because, as they put it at the time,

“German companies are often forced to compete with businesses in countries that have a ‘less open economic system than ours’.”

No prizes for guessing which country that might be, given the Statement yesterday. I hope that the Minister will take a closer look at what can be done to secure our broader national interests in the forthcoming Bill.

2.45 pm

Baroness Bennett of Manor Castle (GP) [V]: My Lords, it is a pleasure to follow the noble Baroness, Lady Falkner of Margravine. I will come at this from a slightly different perspective but I agree with many of the concerns that she expressed.

In his clear and informative introduction, the Minister expressed what I think many would regard as a surprising faith in the intentions of most investors in this country. He suggested that they are not motivated by opportunism. That is not the perspective of many when they look at the hedge funds, the tax haven-based investment vehicles and the non-taxpaying, faceless, unidentifiable ownership that characterises so many sectors of our economy.

I offer the Green Party’s support to the regret Motion. There are concerns about the process, the way this is being approached and the reach of it, but none the less, it is clear that we need far more control over and focus on the ownership of key sectors of our economy. Does this SI reflect a broader change in the Government’s view and perspective? I do not expect to see it in this emergency action, but in the forthcoming legislation, will the Government consider dealing with crucial issues such as food supplies, transport companies and the companies that supply so many of our outsourced public services?

Taking the example of food, if the Government wish to explore this further, I point them to the excellent work of the Canadian scholar, Dr Jennifer Clapp, who has looked at how the ownership of food companies, agrochemical companies and seed companies has led to a lack of competitiveness, global issues, a lack of transparency and real threats to the global food supply; of course, the same threats apply to the UK. Are the Government looking to deal with those?

2.47 pm

Lord Liddle (Lab) [V]: My Lords, I am a strong believer in the virtues of competition and an open economy. I was alarmed to hear of the resignation of the noble Lord, Lord Tyrie. I would like the Minister to follow up on what the noble Lord, Lord Adonis, said.

I am also, and have always been, a long-term sceptic about the so-called free market in corporate control. There seems to be very little evidence of mergers bringing long-term benefits, except for those who take fees from them and for senior managers who benefit from inflated share prices. I support policies that throw grit in the wheels of the M&A process, such as restricting voting rights to long-term shareholders.

There are also public interest arguments where interventions by government can be justified on specific grounds. That is why I support these measures, but with some important qualifications. First, ministerial interventions must be transparent and on the basis of clear criteria, with a published assessment of the reasoning and an assessment of costs and benefits. The Huawei affair has strengthened my scepticism about ministerial interventions. Secondly, this needs a new, strong public body that is independent of Ministers to advise on the public interest. Thirdly, employees should have stronger rights in these circumstances. Fourthly, when we take action on public interest grounds, I urge us to act in concert with our European friends; otherwise, Britain could easily end up the victim of retaliation.

2.49 pm

Lord Chidsey (LD) [V]: My Lords, I thank the Minister for his introduction of the order, which I support. I note that section 2 of the Explanatory Memorandum confirms that Section 58 is amended to specify an ability

“to combat, and to mitigate the effects of, public health emergencies as a public interest consideration ... in mergers and acquisitions”.

The Government already have the power to investigate mergers and takeovers for reasons of, inter alia, national security, market dominance, protecting supply chains and UK financial security.

As the noble Lord, Lord Liddle, mentioned, France, Germany, Italy and Spain all have in place controls such as this. The EU is worried that foreign investors may try to acquire European companies in order to take control of key technologies, infrastructure and expertise. A focus of the EU regulator is to counter unfair competition from state-owned firms, which are the backbone of economies such as China. European companies have long been in the sights of Chinese rivals, including major state-owned enterprises. In the current public health crisis and economic downturn, they are more than ever vulnerable to hostile bids from overseas. In his response, will the Minister say what steps the Government are taking to liaise with our European neighbours to benefit from collective conformity?

The priority of any Government is the safeguarding and security of the people. Managing the Covid-19 pandemic is a case in point. Enabling vaccine research and protecting the ownership of PPE manufacturers and similar supply chain organisations are vital. Hostile takeovers instigated not by genuine business progress and development but an intent to damage or otherwise UK interests must be prevented.

The UK has been threatened with retaliation and retribution for the banning of Huawei technology on security grounds. Will the Minister confirm that these extra measures are essential to ward off the threat of asymmetric attacks and cyberattacks which may diminish our Covid-19 response?

2.51 pm

Lord McCrea of Magherafelt and Cookstown (DUP) [V]: My Lords, I thank the Minister for laying out the Government’s case for the addition of a public interest consideration to the Enterprise Act 2002, with specific reference to maintaining in the UK the capability to combat and mitigate the effects of public health

emergencies. I acknowledge that much has been done by the Government to protect UK citizens during these long and weary months of the pandemic, and we must always be on the alert for any loopholes in legislation. The situation as it already stands allows the Government to intervene in qualifying mergers and acquisitions on the grounds of national security and media plurality, and the previous Labour Government added financial stability following the financial crisis.

It must be acknowledged that foreign investment has provided many valued jobs in recent years, especially in Northern Ireland. It is imperative that we keep an open economy, especially when we endeavour to present ourselves to the world as a global player seeking beneficial free trade agreements with many other countries, having removed ourselves from the shackles of the EU.

I accept that many formerly successful businesses of varying sizes have suffered in terms of financial profitability because of the present Covid-19 crisis and may be vulnerable to takeover bids. This addition to Section 58 of the Act allows the Government to intervene to maintain the UK’s capability to stop unscrupulous investors advancing self-interest at the expense of the welfare of the British public. Therefore, I feel the measure proposed is timely and appropriate, and I support it.

2.53 pm

The Earl of Lindsay (Con) [V]: My Lords, I welcome these two orders, but I want to raise an issue that is referenced in paragraph 8 in the accompanying report from the SLSC, of which I am a member. The issue is the lower turnover test threshold of more than £1 million below which the Government cannot intervene. Why is there any lower threshold at all when it comes to protecting the public interest in the relevant sectors?

It is entirely possible that a business with a turnover of less than £1 million could in other respects be of sufficient public interest for the Government to be justified in intervening. Recent new tech start-ups, for instance, or spin-out enterprises, perhaps from a university vaccine research programme, could well have a turnover of under £1 million but none the less meet the public interest criteria.

The £1 million threshold is even more questionable when one factors in the detrimental impact of the Covid-19 pandemic on business turnover and consequently the increased vulnerability of some businesses to predatory and opportunistic mergers and takeovers. A relevant business that had a turnover in excess of £1 million and was meeting the necessary criteria for intervention at the start of the year could now have a turnover of less than £1 million because of the pandemic; hence the simple question I pose to the Minister: why have a minimum threshold at all?

2.55 pm

Lord Mann (Non-Afl) [V]: My Lords, I am still struggling a little to work out how the coronavirus crisis directly links into the dangers of malign investment in the artificial intelligence sector, which was cited by the Minister. Nevertheless, I welcome this move.

[LORD MANN]

I have long called for more state intervention in particular in our newer and more vulnerable sectors in the way in which Germany and France have for the past 30 or 40 years been able to protect their industries better than we have. To catch up, as we leave the European Union, will make us more robust and competitive internationally.

The Government are taking a lot more state powers to themselves—this is an example of that—but that needs to be counterbalanced by transparency. Transparency means not just that things are clean but that things are seen to be clean. It is imperative that the Government show the way in ensuring that there is full transparency of the Government overall and of individual Ministers in relation to every decision made in future in relation to, for example, mergers and takeovers.

Overall, this move to further state intervention is to be welcomed. One could call it rather Wilsonian in its style, and therefore it should be acceptable to everyone across the House.

2.56 pm

Lord Kennedy of Southwark (Lab Co-op) [V]: My Lords, I support my noble friend Lord Stevenson's regret Motion. The essence of my noble friend's Motion is that, while broadly welcoming the intention of these orders, there are grave concerns about the controls available and when temporary becomes permanent in all but name. It all seems very unsatisfactory.

I concur with many earlier speakers' concerns about our ability to protect the population's access to sufficient supplies of vaccines and PPE. The record of the Government in the present pandemic is nothing to be proud of. With the horrific death rate, which is the worst in the whole of Europe, the Government have to do much better and should be ashamed of their record. I recall SMEs which produce PPE in the UK being unable to find markets in the NHS and instead selling their goods abroad.

A number of noble Lords have raised concerns about the CMA, its perceived weakness and when we can expect its new chair to be appointed. I share those concerns. Will the Minister address those points in his reply and, in particular, comment on the resignation of the noble Lord, Lord Tyrie, from his position as chair? I agree with my noble friend Lord Mann's comments that many other countries in Europe, such as Germany, have done a better job of protecting their businesses than we have in the UK.

The Deputy Speaker (Baroness Garden of Frognal) (LD): The noble Baroness, Lady Wheatcroft, has withdrawn from the debate, so I now call the noble Lord, Lord Holmes of Richmond.

2.58 pm

Lord Holmes of Richmond (Non-Afl) [V]: My Lords, I thank my noble friend the Minister for the clear and comprehensive manner in which he introduced these orders. I declare my interests as set out in the register.

I fully endorse the comments of my noble friend Lord Lansley apropos the urgent need for an updated and applicable definition of "media" in the Act, and I

ask my noble friend how this work is progressing. Will the Government consider looking at the level of public investment in businesses and at whether they would be in need of, and would take a positive attitude towards having, protection against hostile mergers and acquisitions activity? There have been a number of high-profile cases of incredibly successful businesses that have been well run but built largely on public money. Should there not be the potential to block these takeovers, with the Government, in investing in these companies with public money, taking a more direct stake? This could add to potential work on a sovereign wealth fund. I would welcome my noble friend's comments on that.

Finally, will the Government consider adding to the list of areas that he set out? Of course it should include AI and cyber, but will he and the Government consider looking at distributed ledger technology, nanotechnology and some specific aspects of financial technology—fintech—which I believe would also warrant being included in the list? Not least of those is distributed ledger technology, which is likely to become one of the most powerful forces globally and on which the UK has a real edge, which is worth protecting. Perhaps in conclusion I may gently point my noble friend towards the report that I wrote in 2017: *Distributed Ledger Technologies for Public Good*. I would be very happy to discuss this with him and would welcome his comments on these areas.

3.01 pm

Lord Campbell-Savours (Lab) [V]: My Lords, I want to speak to the share of supply order and take one area of interest to me as a former member of the Intelligence and Security Committee: cryptographic authentication. It is an area where the security services might have a particular interest and might have to intervene in the national interest, and an area where we might be particularly vulnerable.

I believe that, following the introduction of this order, which will survive in one form or another well beyond the Covid crisis, the services should produce a report annually for the ISC to consider, setting out in some detail not only their activities in monitoring this area but their actions which they believe to be countering inappropriate activity. For example, government action arising out of hysteria over China has to be monitored, because it must not go unchecked. It would then be for the chairman of the ISC, following consultation with the services and then the committee as a whole, to decide what material could be included in the annual ISC report to Parliament, with suitable redactions.

3.02 pm

Baroness Jones of Moulsecoomb (GP) [V]: My Lords, I want to focus very specifically on facial recognition and other biometric recognition systems. When I led a Question for Short Debate in your Lordships' House on facial recognition, many of your Lordships voiced concern, or at least expressed the need for wider debate, on this topic. Some drew special attention to the capabilities of the private sector, which are frequently much more advanced than any system used by our police and security services.

For that reason, will the Minister confirm that facial and biometric recognition will fall under the category of artificial intelligence in this order and will therefore be subject to enhanced scrutiny in any potential takeover or merger? Will facial and biometric recognition be specifically addressed in the upcoming national security and investment Bill? In addition, can he make clear what is being done to prevent these technologies being used by state or non-state actors who might wish to do us harm?

The Deputy Speaker: The noble Lord, Lord Balfe, has withdrawn from the debate, so I now call the noble Lord, Lord Foulkes of Cumnock.

3.04 pm

Lord Foulkes of Cumnock (Lab Co-op) [V]: I support my noble friend Lord Stevenson in his request for pre-legislative scrutiny of the national security and investment Bill. If the Minister cannot reply today, can he write to us all?

As a former member of the ISC, I fully support any efforts by the Government to ensure that British industries relevant for national security purposes cannot be acquired by hostile states. However, I see a potential danger from the wide powers being given to the Secretary of State, which, in a national security setting, are exercised largely behind closed doors, with submissions from the MoD and the intelligence agencies. Therefore, I hope that any national security intervention will come under the scrutiny of the Intelligence and Security Committee, enabling, we hope, effective scrutiny of the Secretary of State, even with Chris Grayling as its chair.

Can the Minister ensure that there is no way in which the real ownership of the companies involved will be kept secret by registering them in one of the overseas territories or Crown dependencies, making it difficult to detect potential security threats? Finally, there is a possibility that the Government will use these enhanced powers to implement a “jobs for the boys” approach to mergers and acquisitions. We have seen what can happen when friends of Dominic Cummings are given these kinds of contracts. I hope that we can have an assurance that we will not see that kind of thing in this instance.

3.05 pm

Baroness Uddin (Non-Afl) [V]: My Lords, taking part in the Business and Planning Bill has pushed me to venture into this debate, and I add my small voice of support for the Motion of Regret in the name of the noble Lord, Lord Stevenson of Balmacara. I agree with the noble Lord, Lord Bruce, that we should remain mindful of our international obligations towards developing countries with regard to potential vaccine development.

I also agree with the sentiment that the Government must ensure that they have the capacity and confidence to guard against future threats. I understand their wish to be self-reliant when dealing with current and future public health crises in order to safeguard the welfare of the British people and intervene on grounds of public interest.

The new categories of businesses to be subject to the share of supply test are justified—although I would like to see the list widened—given the terrible complications and supply shortfalls that we have experienced during the pandemic. As a nation, we must be more alert and prepared for any potential second wave and other detrimental advances arising from external hostile forces that might be a peril to our national interest.

I also welcome the lowering of the thresholds, but I agree with noble Earl, Lord Lindsay, about not having any. Indeed, this might have been a factor that led to companies in the UK producing PPE and other medical instruments and making them available abroad while our capacity was drastically low.

I accept that, under these extenuating circumstances, for matters related to the availability of vaccines, essential food products, pharmaceuticals, and internet and communication infrastructures, we should intervene to protect our public interest. At the same time, any interventions must be transparent and beyond retrospective reproach, as suggested by my noble friend Lord Liddle, unless it is a matter of defence and state security.

Finally, a question arises about the financial impact of government intervention and how we safeguard parliamentary scrutiny and democratic oversight. Should the Government need to assist or rescue companies and intervene in merger processes, they should do so with thorough consultation with relevant trade organisations—

Baroness Bloomfield of Hinton Waldrist (Con): I remind the noble Baroness of the time limit for speeches.

3.08 pm

Baroness Bowles of Berkhamsted (LD) [V]: My Lords, I give a “better late than never” welcome to these statutory instruments, because protection of national interests, such as security of critical supply, critical infrastructure and defence of our science, technology and intellectual property base, has for too long been neglected and sacrificed on the altar of “We can buy it in” or, worse, takeovers have been celebrated as “evidence that Britain’s low-tax economy could attract major foreign investment”, which I believe is what some said of Pfizer’s proposed takeover of AstraZeneca in 2014.

It is a good thing that Vince Cable did not see it that way, and I recall that the present Prime Minister did not see it that way either. It is a pity that the Government’s public interest powers to cover the pharmaceutical and science sectors were not extended then, as was mooted. After the financial crisis, the financial sector was added for public interest protection. After a health crisis, “public health and crisis mitigation capabilities”

have been added, and the farrago of Huawei and Hong Kong alerts us to reasons to have threshold-lowering measures for sensitive technology.

I see the creep towards a more comprehensive policy, but we are too slow. Other countries took faster measures to stop the buy-up of companies while they were cheap, a measure more needed in the UK as takeover is easier. I understand the concern not to overstep, but I share the broad sentiments expressed in the Motion in the name of the noble Lord, Lord Stevenson, that having good time and opportunity to scrutinise the national security and investment Bill would assist in

[BARONESS BOWLES OF BERKHAMSTED]

finding the right balance for strategic economic security, preserving international reputation and even reducing risk of retaliation.

We have had a White Paper consultation already, and reports abound that further changes may be in train. However, there are opponents, especially in those business quarters that make significant money out of the UK's easy takeover regimes. Do not listen to them: being a global investment and business centre does not have to be on a "UK for sale" basis. Many countries are sprucing up their FDI requirements in the light of experience, and they do not all have minimum turnover requirements, which I also challenge, as did the noble Lord, Lord McCrea. Having a broader set of FDI requirements does not undermine the key words from the Enterprise Act that there should be transparent and predictable decision-making. It is important to retain that, and the comments of the noble Lords, Lord Moynihan, Lord Adonis and Lord Liddle, are relevant to that.

I like the headlines from the new Dutch FDI proposals: ensuring continuity of vital processes; integrity and exclusivity of data and know-how; and avoiding the creation of strategic dependency. We have already ended up with strategic dependency in our energy sector—a matter that has exercised minds in several Lords committees, including the Economic Affairs Committee, of which I am a member, in its 2017 report on electricity. I welcome the inclusion of intellectual property in the additional share of supply order. However, like the Dutch, I would have included know-how, which has all too easily been lost in the past. I agree with the comments of the noble Lord, Lord Lansley, about IP held in separate small entities. It is of course a subject dear to my heart, as a patent attorney, and I have also had the dubious pleasure of coping with the vagaries of MoD secrecy orders on intellectual property, making me well aware of the difficulty that there can be in assessing relevance—which will be reflected in any government team trying to assess strategic issues.

Although couched in terms of security and investment, these are matters of competition policy, which is a sensitive issue on the international stage. Even for a body as strong, well-established and independent as the EU Commission competition body, it works best when there is political consensus. While I was ECON chair in the European Parliament, I was deeply involved in competition policy, bringing about procedural changes and new legislation. That happened largely because the Commissioner recognised the advantages of parliamentary support, not least in its external representation. Now, as the UK forges an independent competition policy—notwithstanding what may or may not be in a Brexit agreement—and hones foreign direct investment policy, I hope that the Government will draw on support from consensus. Competition disputes can last longer than Governments, and the undermining of strategic interests certainly does.

3.14 pm

Lord Callanan: First, I thank all noble Lords for their valuable and well-informed contributions to this debate, with the normal high standard of speeches that we have come to expect in this House.

Both these orders are reasonable, proportionate and essential. As has been said, we live in unprecedented times and it is right that, during such times, the Government reassess their powers to intervene in mergers and acquisitions. This crisis has revealed the need for the powers contained in these orders. Government must be able to act to protect our public health emergency capabilities and to scrutinise worrying mergers in the sensitive sectors we have set out. It is worth noting that many comparable countries have taken similar actions, as indeed was pointed out by the noble Lords, Lord Stevenson and Lord Chidgey, the noble Baroness, Lady Falkner, and a number of other noble Lords.

In recent weeks and months, we have seen allies such as Australia and Japan, as well as some of our European partners, update their investment screening regimes to ensure that risks around public health capability can be mitigated. Countries around the world, including the USA and Australia, and a number of our European allies, have also taken similar steps to protect their national security from opportunistic investment in sensitive sectors. We are not alone in taking these measures.

As I have said, these orders do not impact on our commitment to an open, international economy. We have always enthusiastically welcomed inward investment and championed international trade, and we will continue to do so.

I reassure the noble Lord, Lord Foulkes, that we do not expect to need to use these powers frequently, but we will not hesitate to use them if and when the need arises. We have no wish to stifle creativity, nor to burden business with regulatory red tape—quite the opposite. We believe that these measures are a proportionate reaction to the risks before us. We do not intend these orders to deter genuine investment and we do not believe that they will. Indeed, these orders are in keeping with our approach to maintaining an attractive, secure environment for international investors.

I repeat that the amendment to Section 23A of the 2002 Act is a short-term measure that will apply until more fundamental reforms can be taken forward through the national security and investment Bill. Indeed, the noble Lords, Lord Stevenson, Lord Reid and Lord German, and the noble Baroness, Lady Bowles, asked about the NSI Bill. It is right that the Government take a considered and evidence-based approach to long-term reform in this area. As was pointed out, the consultation took place in 2018, and for various reasons the Bill was not introduced at the time. It is a top priority for this Government, but it is right that, in the current circumstances and environment, we look again at the policy to ensure that it is fit for purpose. We are of course in a different geopolitical climate from that of 2018, and it is vital that the Bill provides the right protections. It was announced in the Queen's Speech for this Session and it will be brought forward in due course. I am afraid that that is as specific as I can be on timing.

A number of questions were posed to me and I will try to deal with as many as possible in the few minutes available to me. The noble Lord, Lord Stevenson, asked whether this will allow for intervention on purely economic grounds. The answer to that question is no.

The company involved must be able to provide capability in the UK to combat or to mitigate the effects of a public health emergency.

The noble Lord, Lord German, asked whether the public health measures would persist once the NSI Bill comes into force. The answer to that is yes. We intend to keep the public health emergency interest consideration as part of the Enterprise Act, so that is permanent, but the national security measure will be repealed by the NSI Bill.

The noble Earl, Lord Lindsay, asked about the threshold. The lower threshold of £1 million is considered to be the appropriate level of turnover to capture those businesses that, although fairly small, have a critical role in matters that may affect national security. We believe that that threshold is right.

The noble Lords, Lord Adonis, Lord Liddle and Lord Kennedy, pushed their luck—as is traditional—and went on to subjects which were not directly relevant to the matters under consideration in this debate. Nevertheless, I always try to be as helpful as possible to the noble Lords, so I will say a few words on the CMA. We already have a highly regarded competition regime and it is the role of the CMA to promote competition for the benefit of consumers, business and the economy. We will be appointing a new chairman in due course; the noble Lord will be the first to hear about it when we do.

The noble Baroness, Lady Falkner, and the noble Lord, Lord Holmes, asked a very good question: why these particular sectors? It is always difficult to define such things but we believe that these sectors are where the risks from mergers that are not covered by the existing thresholds are the highest, and where it is important to act quickly to deal with these issues. Due to the current economic disruption, companies in such sectors may find themselves in difficulty; it is right that the Government are able to step in for national security reasons if required. There is always a difficult balance to strike but we believe that these measures are proportionate and strike the right balance with economic investment.

The noble Lord, Lord Chidgey, asked about cyber acts. The measures in respect of cryptographic authentication are indeed intended to help defend against cyberattacks, as are the reduced thresholds on quantum and military. The noble Lord, Lord Mann, talked about state intervention; I maintain the point that the orders do not provide a direct burden on business but rather enable the Government to intervene, if necessary, on a public interest consideration. We believe that this is a proportionate measure to mitigate against the risk.

The noble Baroness, Lady Jones, returned to one of her favourite subjects: facial recognition. I can tell her that some parts of facial recognition technology will indeed be covered by artificial intelligence and cryptographic authentication. She will be delighted to hear, I am sure, that facial recognition will be covered under the NSI Bill; I look forward to debating the matter further with her then.

To conclude, these orders form key parts of our Covid-19 response and learning. They ensure that the UK can maintain the capability to combat and mitigate the effects of public health emergencies in respect of

qualifying takeovers, and they ensure that the Government can intervene more readily in areas of business where mergers implicate the security of our nation. I repeat that they in no way affect our openness to foreign investment; we continue to welcome genuine investment from around the world into this country. Rather, they reflect the fact that our economy can thrive only when the health and security of the British people are protected. With that, I commend these orders to the House.

Motion agreed.

Enterprise Act 2002 (Share of Supply) (Amendment) Order 2020

Motion to Approve

3.22 pm

Moved by Lord Callanan

That the draft Order laid before the House on 22 June be approved.

Relevant document: 21st Report from the Secondary Legislation Scrutiny Committee (special attention drawn to the instrument)

Motion agreed.

Enterprise Act 2002 (Specification of Additional Section 58 Consideration) Order 2020

Enterprise Act 2002 (Share of Supply Test) (Amendment) Order 2020

Motion to Regret

3.23 pm

Tabled by Lord Stevenson of Balmacara

That this House regrets that the Enterprise Act 2002 (Specification of Additional Section 58 Consideration) Order 2020 and the Enterprise Act 2002 (Share of Supply Test) (Amendment) Order 2020 include permanent measures while only intended to mitigate risks against company mergers in the short term, and calls on Her Majesty's Government to subject the forthcoming National Security and Investment Bill to urgent pre-legislative scrutiny so as to ensure that it has appropriate powers to ensure that all significant mergers and acquisitions in all sectors of the economy are subject to comprehensive scrutiny by the competition authorities as regards their impact on consumers.

Lord Stevenson of Balmacara (Lab) [V]: My Lords, I thank all speakers who have participated in this debate. It may have been rapid fire and we have had to cover a lot of ground individually but some very good points were made, several of which were noted and responded to by the Minister.

We had several contributions on the need for early sight of, and time to debate, the forthcoming Bill. In particular, my noble friend Lord Reid worried about

[LORD STEVENSON OF BALMACARA]
the inclusion of temporary measures within permanent legislation, something that was also picked up by the noble Lord, Lord German. Other noble Lords raised other issues which ought to be considered in the forthcoming Bill. The noble Earl, Lord Lindsay, raised the need for lower limit for turnover; this was not welcomed by the Minister but I think the noble Earl made a very good point. The noble Lord, Lord Lansley, made a point that I support entirely on the need to revisit media takeovers; as the last experience shows, there was time for this part of the statute to be reviewed.

My noble friends Lord Adonis, Lord Liddle and Lord Kennedy raised concerns about the CMA as it goes through the transition to a new chair. Perhaps the Minister could write—more fully than he was able to do when he responded—about some of the more detailed questions.

Four issues were raised by my regret Motion. The first was the difficulty of securing scrutiny without sight of the national security and investment Bill—the Minister has said in response that this is a top priority, but we do not have a date; the best we have is that it will be with us “in due course”. I take that as a failure to get anything out of that. We have not seen much of the content of the Bill, even though the Minister has agreed that things have changed since 2018 so we can imagine that there will be some adjustments; so, I failed to get anything out of him on that. On the question of whether there should be pre-legislative scrutiny, perhaps he could write to us. I really cannot see the case for not having that in play; it would seem to give the Government a chance to see the sorts of responses to this type of legislation that are necessary without having to make a final commitment; this has always proved useful in the past. Finally, on my fourth point about the role of consumers within the process, all we know is that the new chairman of the CMA is being appointed; there were no answers to the specific questions that I raised.

So, we have not got answers to the regret Motion as tabled, but we have had a very good debate. I think we can say that we have responded well to the Secondary Legislation Scrutiny Committee’s request that this issue be drawn to the attention of the House. It certainly has been.

Motion not moved.

3.25 pm

Sitting suspended.

Arrangement of Business

Announcement

3.45 pm

The Deputy Speaker (Lord Alderdice) (LD): My Lords, the hybrid sitting of the House will now begin. Some Members are here in the Chamber, respecting social distancing. Others are participating remotely but all Members will be treated equally. If the capacity of the House is exceeded, I will immediately adjourn

the House. The usual rules and courtesies in debate apply. Before calling the Minister, I invite the Whip to say something about timing for this debate.

Baroness Scott of Bybrook (Con): My Lords, I would like to make a correction to today’s list. The timing for this debate is one hour, not one-and-a-half hours. I urge noble Lords to please keep to their four-minute times, so that we can get through everybody within the hour. Thank you.

Competition Appeal Tribunal (Coronavirus) (Recording and Broadcasting) Order 2020

Motion to Approve

3.46 pm

Moved by Lord Keen of Elie

That the draft Order laid before the House on 22 June be approved.

Relevant document: 21st Report from the Secondary Legislation Scrutiny Committee

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the statutory instrument before us grants the Competition Appeal Tribunal a temporary exception to Section 41 of the Criminal Justice Act and Section 9 of the Contempt of Court Act 1981, allowing it to broadcast hearings to members of the public via either video or audio link. This draft order is to be made under Section 32 of the Crime and Courts Act 2013, with the concurrence of the Lord Chief Justice.

For noble Lords who are not familiar with the Competition Appeal Tribunal, more generally known as the CAT, it is a specialist tribunal whose principal functions are to hear and decide appeals of decisions by the Competition and Markets Authority and other economic regulators concerning infringement of UK and EU competition law, and appeals to regulatory decisions in the utility sector. The CAT is sponsored by the Department for Business, Energy and Industrial Strategy but as the power to make the order is conferred on the Lord Chancellor it has been drafted, and laid before Parliament, by the Ministry of Justice.

As noble Lords will be aware, the pandemic means that courts and tribunals throughout this country must adhere to public health measures. To ensure the continued administration of justice throughout this crisis, the Government introduced the Coronavirus Act 2020, which made provisions to allow courts and tribunals to conduct hearings via electronic means, including recording and broadcasting hearings to members of the public. However, given the urgency and speed at which these measures were introduced, the Coronavirus Act 2020 did not make provisions for the CAT but only for the tribunals within the unified tribunal system. The CAT is therefore currently unable to broadcast hearings to members of the public.

The CAT’s rules of procedure state that hearings must be carried out in public, subject to some limited exceptions. The amendments made by this draft order

will allow the public to observe hearings remotely, thereby reducing the risk of infection and ensuring the core principles of open and transparent justice are maintained. I conclude by confirming that the draft order is a temporary amendment and it will expire on 25 March 2022, coinciding with the expiration of the Coronavirus Act 2020. I beg to move.

3.49 pm

Lord Thomas of Gresford (LD) [V]: My Lords, I thank the Minister for his clear exposition. The Competition Appeal Tribunal may well be more prominent in the near future, for two reasons. First, if we are facing the economic slump that is predicted due to the pandemic, we are likely to see a number of firms go to the wall unless merged with larger organisations. This may well lead to interventions by the Competition and Markets Authority on the issue of unfair competition or dominance of markets. As the noble and learned Lord said a moment ago, appeals from the rulings of the CMA go to the Competition Appeal Tribunal. Secondly, when we finally leave the European Union at the end of the transitional period, in January, the tribunal will lose jurisdiction over cases involving the two competition articles of the Treaty on the Functioning of the European Union: article 101, on anti-competitive agreements; and article 102, dealing with abuses of a dominant market position. The tribunal will lose the right to refer issues for a ruling by the European Court of Justice.

Nevertheless, British companies or individuals whose activities may affect trade within the EU will still remain subject to European competition law. This will include such sectors as agriculture, fisheries and transport. I assume that any conflicts or problems will be litigated in Europe. I fear this will lead to a loss of our leadership role in developing competition law, not only in Europe but in the world. The tribunal's excellent president, Sir Peter Roth, has contributed much to spreading principles of competition law derived in this country at forums and seminars worldwide.

The nature of the issues litigated in the tribunal is broad. The tribunal is a specialist judicial body with cross-disciplinary expertise in law, economics, business and accountancy. That is reflected in the composition of the hearings, where two members with diverse backgrounds—in business and academia—sit with a High Court judge as chairman.

Its function is to hear and decide cases involving competition and economic regulatory issues. It deals with some 25 to 30 cases a year, some of which are multifaceted and complex, and others much simpler. The consequences for a firm can be drastic: fines of up to £44 million have been imposed. For the individual it can lead to director disqualification, claims for damages or even criminal proceedings. Many cases require quick decisions: when the viability of a business is at stake, delays may be disastrous. This is recognised by the fast-track procedures within the tribunal's rules.

I have outlined its scope to indicate that it is obviously highly desirable, on the principle of open justice, that the tribunal sits in public. That is fully recognised. The circumstances in which it can sit without the presence of the public or press are even more limited than in the jurisdiction of the Upper Tribunal or First-tier Tribunal.

Indeed, it is expressly against the rules of the CAT to sit in private, save in exceptional circumstances. However, the pandemic has meant that hearings have been restricted to parties who are specifically invited to attend a virtual hearing—we are used to that. This is obviously highly unsatisfactory and could lead to legal challenge.

This statutory instrument is limited in scope and in time. We welcome it as it will allow tribunal cases to be heard in the most open and transparent way possible and will facilitate public access and scrutiny. We give it our full support.

3.54 pm

Baroness Anelay of St Johns (Con) [V]: My Lords, I support the making of the order, but I have a couple of questions for my noble and learned friend the Minister for clarification.

We are advised in the Explanatory Memorandum that it is reasonably common for larger cases heard by the Competition Appeal Tribunal to attract 100 or more attendees, including multiple parties to the appeal as well as members of the public and journalists. It is welcome, therefore, that the statutory instrument ensures that the tribunal will be able to revert to its usual practice of allowing public access to proceedings, rather than operating on a closed basis of remote hearings using video-link arrangements. Can my noble and learned friend say how this new system differs from the cloud video platform which is being rolled out by Her Majesty's Courts & Tribunals Service to all Crown Courts in England and Wales, and why it is considered superior to that?

Articles 5 to 7 of the regulations make provision about when recording is to be permitted in the Competition Appeal Tribunal. Who will actually decide the terms of the contract with the broadcaster? Will it be BEIS, as the parent government department, or the tribunal itself? Will those terms ensure that the system is guaranteed to be available at a time required by the tribunal and for a period of time determined by the tribunal chair?

I ask because of the difficulties faced by this House, on occasion, with the availability of the broadcast system through which the public can see our work. The broadcasters are working very hard indeed to ensure that our proceedings are both seen and heard. However, our system has shown how vital it is to ensure that contracts provide for open-ended access to broadcasting.

Monday's proceedings on the Business and Planning Bill are a case in point. The House had expected to sit until 9.30 pm but was permitted to go beyond that time. By 10.30 pm, we had still not reached the halfway point in the groups of amendments to be debated that day, but the broadcast period was abruptly suspended in the middle of somebody's speech because the time permitted under the agreement with the broadcasters had expired. It meant that the rest of the debate was postponed to yesterday, and therefore reduced the amount of time available for the Agriculture Bill. As an ex-Chief Whip, my sympathy clearly lies with the current Chief Whip, who is trying his best to ensure that legislation gets debated but can also be passed in time.

[BARONESS ANELAY OF ST JOHNS]

Paragraph 10.1 of the Explanatory Memorandum states that there has not been

“any formal consultation in light of the urgency with which it needed to be made and its temporary nature”.

That is entirely understandable. However, does my noble and learned friend think that it would be right to discuss with the tribunal whether it might be useful to convene its user group, after three months or so, to hear from it about the efficacy of the system? The tribunal’s website states:

“The User Group meets twice a year to discuss points relating to the practical operation of the Tribunal.”

However, it does not appear to have met since October 2016. I hope that that is merely a reflection of a failure to update the website and the minutes on it, rather than a reflection of the tribunal’s failure to convene members of the group for well over three years.

I look forward to the responses of my noble and learned friend.

3.58 pm

Lord Hope of Craighead (CB) [V]: My Lords, I too support this order—how could I not do so?

As the Minister will recall, I took what was then seen as the revolutionary step of promoting the filming and broadcasting of proceedings in the Scottish courts when I was the Lord President. That was in 1992, no less than 28 years ago. I was helped by the fact that there was then—and I believe still is—no statutory prohibition against these things in Scotland. Therefore, it was entirely up to me to decide whether it should be permitted.

I was just as much in favour of the live broadcasting of proceedings in the Supreme Court when the Law Lords moved there from this House in 2009. The success of that venture can be seen every day when that court is in session by logging on to its website. I recall watching the Minister himself presenting an argument, with his usual skill, on behalf of the Government in the Supreme Court on more than one occasion, and enjoying the way the court responded to what he was saying just as much as he did.

The noble Lord, Lord Pannick, was there on my screen when the court was sitting virtually earlier this week. I hope that the noble and learned Lord and the noble Lord will forgive me for saying that these performances are not among the most entertaining things one can watch online. But there is no doubt as to their educational value, and their value in making court proceedings more accessible to the public. Technology has advanced hugely since my first venture 28 years ago, and so has the acceptability of this use of it among judges as well as the public.

Nevertheless, it took me some time to work out why this order was being made. The Explanatory Notes were not very informative. I wondered whether there was something especially compelling about proceedings in the Competition Appeal Tribunal that made broadcasting them especially desirable. I am grateful to the noble and learned Lord for his explanation, which I had eventually worked out for myself: that the purpose of the order is to fill in a gap left open by the Coronavirus Act 2020, which permitted during the present crisis, when public access to proceedings is severely limited,

the recording and broadcasting of proceedings before various courts and tribunals, but not this one. It is obviously right that this tribunal should not be left out.

However, I have two questions for the Minister, which I hope he may be able to answer in writing if he cannot do so now. First, how much use has been made so far of the freedom to record and broadcast that is now available in courts and other tribunals? Secondly, is thought being given to making this relaxation of the prohibitions a permanent feature of the way we make our proceedings available to the public? After all, in most cases room for the public in courts and tribunals is fairly limited, and travel to these courts is restricted. The limits of that freedom have been carefully spelled out in Articles 6 to 8 of this order, following the wording of the Coronavirus Act itself. The interests of justice are preserved, and there really is no risk that the freedom will be abused.

4.01 pm

Baroness Neville-Rolfe (Con) [V]: My Lords, it is always a joy to follow the noble and learned Lord, Lord Hope, and today to hear of his trailblazing role, of which I was not aware, in digital transparency both in Scotland and in the Supreme Court.

This is a sensible order, which I support. It was an anomaly that CAT hearings were closed to the public and this will remedy it. It is a Covid-related provision and it expires on 25 March 2022—a slightly depressing prospect that we are planning for the impact of the disease to go on that long. My noble, learned and distinguished friend is in distinguished legal company today, and I look forward to his response. I certainly support the comments made by my noble friend Lady Anelay, and in particular her perceptive advice on the management agreements with broadcasters. I know that with sport back on our screens, broadcasters are back in demand.

I take this opportunity to ask for an update on competition matters and any plans the Government have for changing the competition appeal arrangements. I know there is concern that they allow companies with deep pockets to spin cases out, but, as discussed in last year’s insightful debate on competition on 8 May, I am not convinced of the case for change, except in so far as this is needed for Brexit reasons. I have been struck by how competition is omnipresent in so much of regulatory life; now, for example, even the PRA is doing a review. With my wide experience of regulating and being regulated, issues with tech giants are best dealt with by proper application of the merger rules and in the forthcoming online harms Bill, which I look forward to seeing. I am not convinced that any extra powers should be granted to existing regulators.

I am, however, sure that there is always room for improved efficiency in the Courts Service. I was always struck by how the—to some dreaded—European Court of Justice in Luxembourg used paper to reduce the length of expensive oral hearings. Covid-19—today’s issue—has inspired efficiency through the use of digital, document websites and video, and I am sure that some of that change can be permanent.

I appreciate that the CAT has a low throughput, but I would be interested to hear from my noble and learned friend how the backlogs elsewhere in the

justice system are being dealt with and whether there are any problems in the Competition and Markets Authority.

The Deputy Speaker (Lord Alderdice) (LD): The noble Baroness, Lady Kennedy of Cradley, has withdrawn, so I call the next speaker, the noble Baroness, Lady McIntosh of Pickering.

4.04 pm

Baroness McIntosh of Pickering (Con) [V]: My Lords, I thank my noble and learned friend for bringing this order before us this afternoon. On the point raised by the noble Lord, Lord Thomas of Gresford, I understood that agreement is to be reached on what form arbitration on competition and other matters will take after the transition period has ended. Can my noble and learned friend update the House this afternoon on where we stand on competition and other laws arising in tribunals where the case is pleading the EU law under which the competition agreement was entered into? To which chamber will the referral be made?

The next question is not dissimilar, but slightly different, to that raised by my noble friend Lady Anelay, who asked about broadcasting restrictions. We have capacity in your Lordships' House for a maximum of 50 Members. What is the maximum in any hearing of a tribunal before the Competition Appeal Tribunal, and how many can attend remotely? There might be appeals regarding the outstanding refunds of airline passenger tickets following multiple cancellations, owing to coronavirus and passengers being unable to complete their journey. Obviously, at the moment it is very difficult for airlines to make good those refunds until we all start flying again.

Looking ahead, when does my noble and learned friend expect the Competition Appeal Tribunal to start meeting as normal? If for any reason these arrangements have to remain in place, will he return to the House to extend the life of this order? The Explanatory Memorandum refers to 10 new locations. Are they just for CATs or for all courts and tribunals? With that, and subject to what I am sure will be my noble and learned friend's reasonable answers, I very much welcome the order before us.

4.07 pm

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, it is always a pleasure to follow the noble Baroness, Lady McIntosh of Pickering. I thank the Minister for his detailed explanation of this statutory instrument. I agree that this anomaly in the coronavirus legislation had to be corrected to make provision for these hearings in the CAT. I note that the 21st report of the Secondary Legislation Scrutiny Committee provided a short account of this draft statutory instrument, effectively stating that closed hearings are "contrary to CAT's Rules of Procedure"—an issue that the Minister raised in his introduction.

I have several questions which focus on that issue, and one outside it. Coming from Northern Ireland, I realise that this legislation does not cover the competences of the devolved institutions. Perhaps the Minister could say what arrangements are being made for such tribunal hearings in Northern Ireland and Scotland.

Can the Minister say whether there are cases outstanding because of the need to regularise the situation, or are we approving this statutory instrument retrospectively? If cases are outstanding, how many and for how long?

If coronavirus disappears, will this legislation, which will remain on the statute book until 25 March 2022 as provided for in the sunset clause, be brought back earlier for amendment or deletion, or is there a likelihood in the "new normal", with digitisation, of recording and broadcasting being continued?

Like the noble Baroness, Lady McIntosh of Pickering, I was wondering about capacity issues in respect of broadcasting. Will it be able to take more than 50 participants? Many competition cases have lots of people who are deeply interested in them.

How many cases were held in closed proceedings contrary to CAT rules and procedures, which require hearings to be held in public, but could not have happened in public because they did not meet the current legislative requirements until after the approval of this SI today?

I took note of what the noble Lord, Lord Thomas of Gresford, said about the economic slump that will probably result from the Covid pandemic, which could lead to many cases of unfair competition and mergers and amalgamations. Will the competition tribunal have the capacity to deal with such issues? If the Minister cannot answer my questions today, perhaps he could write to me at a later date.

4.11 pm

Lord Wei (Con) [V]: My Lords, I declare my interests as set out in the register. It is hard to argue against this measure. It makes sense to widen access to the courts in this way, particularly at a time when we have a huge backlog of cases across the board.

However, there are a number of issues that we need to think about. The problem with a crisis such as the one we are in is that the measures we adopt in an emergency become longer-term without the usual process of thinking through how we use video and such measures in our courts generally, as well as in these kinds of cases specifically. I raised in a previous debate issues relating to terrorism and video. I would like to hear from my noble friend the Minister how the use of data from feeds will be governed and what ethical frameworks are in place both in this context as well as more generally in an age where one could take the data from courts and train AI based on the outcomes of those cases to spot who is guilty and who is not just from facial movements, which might ultimately deny fair trials and access to natural justice if a future Government decided to use that data. It is important that we know what we are getting ourselves into as we widen the use of this technology in these environments.

I have heard reports about people who are vulnerable who are caught up in cases, particularly in more serious criminal cases, where violence or intimidation is involved. They may struggle to use video in order to operate well in court. Often, facial expressions from their lawyers can provide reassurance. A lot of the things that are not possible in a Zoom format meeting—as we all know—are crucial to enabling somebody to handle emotionally the unfamiliar environment of a

[LORD WEI]

court. Whistleblowers and others may be vulnerable in such cases. They may find themselves very alone and very nervous as they give their testimony. I would like to hear from the Minister what safeguards are in place to counterbalance the lack of that reassurance and emotional, social contact in such situations. Will cases where there is a risk of this be given priority over those which are more straightforward and where the performance of somebody testifying over video with a lack of support around them is less important?

It is wise to move forward with this measure, but it would be unwise to leave unanswered these questions and others that have been raised in this debate just because we are in the middle of an emergency.

4.14 pm

Lord Marks of Henley-on-Thames (LD) [V]: My Lords, I welcome this order as a way of ensuring that proceedings of the CAT continue to be in public given that the usual public access is constrained by the Covid-19 crisis.

As the Minister has explained, the provisions of the Coronavirus Act provided for broadcasting of a wide variety of court and tribunal proceedings, which has arguably been successful. This SI rightly addresses the anomaly that has been pointed out that proceedings of the CAT are not covered by this legislation. So, at present, hearings of the CAT are proceeding remotely but effectively on a closed basis, which, the Minister seemed to agree, is in breach of Rule 99(1) of the CAT rules to the effect that every hearing should be public except where confidential information is being considered. That breach could, theoretically at least, open the system to challenge.

However, in my view, the arrangements set out in the SI should not be restricted to the currency of this crisis but should become a permanent and expected feature of the CAT subject to the safeguards in this order. Indeed, I would go further. On 8 June, we debated the broadcasting of sentencing remarks in criminal cases and of Court of Appeal hearings in family cases. Along with many noble Lords, I expressed my long-held view that broadcasting of court proceedings should be substantially extended on the ground that open justice is generally better justice.

The same principle applies to tribunals just as it does to court proceedings, and I would argue that broadcasting should be permissible unless there is a countervailing interest to the contrary, whether to protect necessary privacy or legitimate confidentiality, to meet genuine concerns for the protection of witnesses, jurors or others, or otherwise in the interests of justice.

The CAT's hearings are of widespread and legitimate public interest, as my noble friend Lord Thomas of Gresford pointed out. Its more important cases often attract the attendance of 100 or more people, from the parties, the press and the public, as the noble Baroness, Lady Anelay, reminded us. Its cases include appeals from decisions of the Competition and Markets Authority and from regulators, particularly in the telecoms, utilities and transport sectors. The CAT also has an important review function in respect of Ministers' decisions covering wide areas of the economy. By way of example, recent

cases have included disputes concerning the merger of Sainsbury's and Asda, and the sale of a significant shareholding in Lebedev Holdings Limited to International Media Company.

Of course, CAT hearings are in general already public, and the CAT goes to considerable lengths to make its proceedings accessible by publishing transcripts of hearings on its website. However, the availability of broadcasting technology, particularly over the internet, has the potential to make the processes of justice far more accessible to the public and far better understood—points strongly made by the noble and learned Lord, Lord Hope of Craighead, who has been a trailblazer in this area.

I regard the safeguards set out in this SI as admirably succinct and sufficient to protect the interests of justice. The requirements for permission, the assurance that copyright will remain with the tribunal and the limits on what may be recorded will enable recordings to be appropriately controlled and monitored, and the tribunals can be relied on to ensure that they are. Of particular interest in this order is that witness evidence may be recorded and broadcast. Although I entirely accept that in many cases witnesses need protection from excessive publicity, I do not see why that should be the case in most CAT proceedings. That goes particularly for expert witnesses. In my view, these arrangements can be expected to work in the wider public interest and in the long term.

We have been reminded that the expiry of the order is 25 March 2022, when the Coronavirus Act expires. By then, we will have had a good opportunity to consider the impact of broadcasting of CAT hearings. My hope is that the legislation restricting their broadcasting, along with the restrictions on broadcasting of court and tribunal proceedings in general, can at that stage be thoroughly overhauled to ensure that much more open justice is achieved.

4.20 pm

Lord Ponsonby of Shulbrede (Lab) [V]: My Lords, the Coronavirus Act 2020 made provisions for the use of video and audio technology in courts and some tribunals. However, these do not apply to the Competition Appeal Tribunal. As a result, remote CAT hearings using videolink arrangements are effectively operating on a closed basis, with access available only by invitation to the parties and other persons who have been notified. This is contrary to CAT's rule of procedure number 99, which requires hearings to be in public. These hearings therefore run the risk of challenge because they have not been conducted according to the rules. The order removes that risk by granting the CAT temporary power to broadcast its proceedings. The order applies to England and Wales and will expire on 25 March 2022, as we have heard—the same day as the Coronavirus Act expires.

This has been an interesting debate and I thank the Minister for his clear exposition of the reason for the order. The noble Lord, Lord Thomas, spoke very clearly about the threat of a loss of leadership by British courts in competition law because of our withdrawal from the EU. He outlined the wide scope of the tribunals and that there is a large interest by specialist groups that can lead to up to 100 people wanting to

view and be attendees at court hearings. He also made the interesting point that the CAT's workload is likely to increase because of coronavirus, leading to more mergers and issues to do with competition.

The noble Baroness, Lady Anelay, also supported the order. She raised an interesting question about how this differs from CVP, which currently operates in the criminal courts. I remind noble Lords that I sit as a magistrate in London, so I use CVP quite often, but in the family courts we use a mixture of technologies, including Skype for Business and Microsoft Teams, and we will be using CVP in the very near future. So a variety of technologies are available. Can the Minister say anything about the appropriateness of having the flexibility to use the most appropriate technology? It differs for different legal encounters, if I can put it like that.

We heard about the trailblazing role of the noble and learned Lord, Lord Hope, in the Scottish courts. He and a number of noble Lords asked about the potential permanence of these types of arrangements. I thought that the noble Lord, Lord Marks, made a very interesting point when he summed up that this should be used as an opportunity for a wider review of giving better access to justice in our courts system up and down the country.

The noble Lord, Lord Wei, raised a number of interesting points. He asked who would own the feeds and the information. My understanding is that the copyright holder will be the tribunal itself. He also raised questions about using computer technology to look at facial expressions, and raised concerns about emotionally vulnerable people appearing at these hearings. I am very concerned about this in my work in the family court. It might not be so relevant in the CAT, but it is certainly a very relevant question in the family court. We have to consider the appropriateness of giving judgments to people who are remote. They might be alone when we reach decisions in the family court. So it is a very relevant question in the judicial environment in which I operate.

The noble Baroness, Lady Ritchie, also asked interesting questions about what the parallel arrangements in Scotland and Northern Ireland would be and whether they would be retrospective and start from the same point that the Coronavirus Act started in early March.

This has been an interesting debate. Some real questions have been raised and there are some real opportunities for further reform in the coming years. I look forward to the Minister's response.

4.26 pm

Lord Keen of Elie: My Lords, I am grateful for the contributions to the debate and shall address some of the points raised. My noble friend Lady Anelay of St Johns asked a number of questions. The first was about the numbers who can attend these hearings. In some instances quite a large number may attend, and it will be for the CAT itself to determine what broadcaster and what technology it chooses to employ. There are a variety, but it cannot be said that it will stick only to one—for example, only to CVP, if it chooses that. If there are limitations from the technology, they will be addressed so that appearances and attendance can be expanded if demand outstrips supply. She also raised

the question of consulting user groups. Indeed, there is great merit in that, and I am aware that the High Court has had regular communication with those who use the court, to develop and improve the systems it has in place. I have no doubt that the CAT will want to employ a similar approach.

The noble and learned Lord, Lord Hope of Craighead, referred to his directions in 1992 with regard to the Court of Session and the High Court in Scotland, which I recollect. He was quite right to observe that there is no statutory prohibition on broadcasting in that way in Scotland. That brings me on to a point also made by the noble Baroness, Lady Ritchie of Downpatrick. The CAT is a UK tribunal. It may sit, for example, in Edinburgh or Belfast, although generally it will sit in London. This SI is directed at legislation that extends only to England and Wales, and it is not necessary, therefore, to extend legislation in those other parts of the United Kingdom. Of course, a similar position applies in respect of the United Kingdom Supreme Court, which has its own provisions on broadcasting and, from time to time, sits in Edinburgh, in Belfast and, indeed, in Cardiff. I hope that helps to explain the position there.

The noble and learned Lord, Lord Hope of Craighead, posed two questions. The first was about the extent of the use of this sort of remote technology in our courts and tribunals. It is too early to give precise figures, but in general it has been successfully deployed and has therefore made it possible for us to conduct hearings during this period of the pandemic with greater ease. As for whether these provisions should be made permanent, a point raised not only by the noble and learned Lord, but also by the noble Lords, Lord Marks and Lord Ponsonby, no doubt that is a matter that will be under consideration. I am aware that some of the senior judiciary, certainly, are very enthusiastic about these changes becoming permanent as we go forward, at least in some parts of the justice system.

My noble friend Lady Neville-Rolfe asked for an update on competition law and the role of the CAT. That is an area for BEIS rather than the Ministry of Justice, so I would be slow to make any comment, except to say that the Government have committed to consult on the reform proposals of the noble Lord, Lord Tyrie, on the competition regime as a whole. No doubt that will come forward in due course. I hope that also meets the point raised by my noble friend Lady McIntosh of Pickering about what the position will be after the transition period. We will look at the reform proposals. The position with the EU will of course be the subject of negotiation, and I can say no more than that. As to when we will return to normal, as it was termed by my noble friend Lady McIntosh of Pickering, the position is that this SI, like the Coronavirus Act 2020, will expire in March 2022. We hope, of course, that it may be possible to address matters of normality long before then, but we will have to wait and see.

The noble Baroness, Lady Ritchie of Downpatrick, also asked about numbers of outstanding cases. At present the CAT has about 61 cases outstanding. During the period before the SI became available, the CAT conducted four hearings via videoconferencing, but they were compliant with the requirements of the

[LORD KEEN OF ELIE]

CAT, because they were held in public by inviting journalists to attend and inviting others who wished to attend to register an interest so that they could do so. Of course, that was a demanding and cumbersome procedure, and it will be far easier if we can simply proceed on the basis of the provisions in this SI, which will come into force on the day after the SI is approved.

My noble friend Lord Wei raised a number of points. The first was about data, also addressed by the noble Lord, Lord Ponsonby. He also asked about witnesses and vulnerable people giving evidence. In the context of the CAT, it is unusual for oral evidence to be given by witnesses but, where it is given, they tend to be expert witnesses, whether economists, accountants or others, so the issue of vulnerability that he touched on, and which is very real in the context of other proceedings—for example, family and criminal proceedings—does not arise in quite the same way in this circumstance. I hope I have gone some way to address the questions raised by noble Lords. In these circumstances, I commend this draft instrument to the House.

Motion agreed.

4.33 pm

Sitting suspended.

Arrangement of Business

Announcement

5 pm

The Deputy Speaker (Lord Russell of Liverpool) (CB): My Lords, some Members are here in the Chamber, respecting social distancing. Others are participating remotely, but all Members will be treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. The usual rules and courtesies in debate apply.

Channel Islands Measure

Motion to Direct

5.01 pm

Moved by The Lord Bishop of Birmingham

That this House do direct that, in accordance with the Church of England Assembly (Powers) Act 1919, the Channel Islands Measure be presented to Her Majesty for the Royal Assent.

The Lord Bishop of Birmingham: My Lords, I shall give some brief historical and current background to the Channel Islands Measure, then outline its content.

Until the 16th century, the Channel Islands were part of the Church of France and the diocese of Coutances. In 1496, Henry VII obtained a papal bull transferring the islands to the English diocese of Salisbury, but it seems this was not put into effect. The islands finally became part of the Church of England in 1569, when they were transferred to the diocese of Winchester by Order in Council of Elizabeth I. Since then, the Church of England has been the established Church of the islands.

In July 2018, the most reverend Primate the Archbishop of Canterbury appointed a commission, chaired by the noble and right reverend Lord, Lord Chartres, whom I am glad is in your Lordships' hybrid House today, to consider and report on the relationship between the Channel Islands and the wider Church of England. The appointment of the commission followed a breakdown in the relationship between the Channel Islands and the diocese of Winchester. The origins of that unhappy situation concerned the way in which a safeguarding issue from 2008, involving a vulnerable adult, was dealt with.

In the midst of a thorough analysis, and following wide-ranging submissions and meetings, the Archbishop's commission, in paragraph 19, covers an investigation by Dame Heather Steel—the subject of the amendment of the noble Lord, Lord Faulkner. The outcome of that investigation, announced on 23 November 2013, was that no disciplinary action was taken against any member of the islands' clergy. I understand that was on the basis of legal advice, but the right reverend Prelate the Bishop of Winchester did not, as he originally intended, publish Dame Heather's review.

The Archbishop's commission reported in September 2019, and concluded that while there remained “residual affection for the historic attachment to ... Winchester”, the difficulties in the relationship between the islands and the diocese were such that the breakdown was “too great for it to be retrieved in the foreseeable future.”

Having considered various options, the commission came to the conclusion that the islands should be transferred to the diocese of Salisbury. It pointed to several advantages: access is relatively easy, via Southampton Airport or by ferry to Poole; the capacity of the diocese of Salisbury, having two suffragan bishops in addition to the diocesan bishop, is sufficient. There are historical connections, as I have mentioned, between the islands and Salisbury: the attempted connection in 1496, and the fact that the first bishop to visit the islands and carry out confirmations since the Reformation was the then Bishop of Salisbury in 1818. The diocese of Salisbury today shares legal services with the diocese of Winchester and, given the particular legal context of the islands, it is advantageous to retain that relevant knowledge and experience.

The commission recommended that a Measure should be introduced to enable the transfer from Winchester to Salisbury. The Measure before your Lordships' House gives effect to the recommendation of the Archbishop's commission. It also speaks about some other matters relating to the Church of England and the Channel Islands.

Section 1 is the key provision. It provides that Her Majesty may, by Order in Council, attach the Channel Islands to the diocese of Salisbury instead of the diocese of Winchester, and transfer the right reverend Prelate the Bishop of Winchester's jurisdiction in relation to the islands to the right reverend Prelate the Bishop of Salisbury. I should add that both right reverend Prelates and dioceses are content with that outcome, as are the Channel Islands. Section 2 makes consequential amendments to existing Church legislation concerned with the Channel Islands, so that references to Winchester become references to Salisbury.

On Section 3, as noble Lords will know, Jersey and Guernsey are separate legal jurisdictions. Normally, legislation passed by Parliament, including Church legislation, does not automatically extend to the Channel Islands. However, it is often desirable for United Kingdom statute law to be capable of extension to the Channel Islands with the co-operation with the islands' own legislative bodies. There are established procedures for extending Acts of Parliament and Church Measures to the islands. In the case of Church Measures, the procedure was originally established in 1931. It is an elaborate and time-consuming procedure and, as a result, there is a backlog of Church legislation that ought to be extended to the islands. Section 3 will enable Church legislation to be extended to the islands much more simply under more straightforward procedures established by their respective legislatures. That should mean that the backlog can be cleared and any future delays can be avoided in extending appropriate Church legislation to the islands.

Section 4 makes updating amendments so that eligibility for inclusion on the islands' church electoral rolls is on the same basis as for church electoral rolls in England. Those rolls, which are island-wide rather than parochial, identify the electorate in elections from the islands to the General Synod of the Church of England. The changes being made include reducing the minimum age for enrolment from 17 to 16 and, as in England, members of other Christian Churches who are prepared to declare that they are also members of the Church of England will be able to be enrolled. The last section, Section 5, provides for the commencement of the Measure and its Short Title.

The Measure was passed with large majorities in all houses of the General Synod, and the Ecclesiastical Committee, some of whose members I am glad are with us this evening, issued a favourable report, which has been laid before the House. I beg to move.

5.07 pm

Amendment to the Motion

Moved by Lord Faulkner of Worcester

At end insert "but that this House regrets that the Ecclesiastical Committee was not given the opportunity to consider the report of the investigation carried out by Dame Heather Steel into the handling of safeguarding issues by the church in Jersey."

Lord Faulkner of Worcester (Lab) [V]: My Lords, I have taken the unusual step of tabling an amendment of regret to the Motion moved so ably by the right reverend Prelate the Bishop of Birmingham, because it is demonstrably clear to me as a member of the Ecclesiastical Committee that a senior and distinguished member of the clergy, the very reverend Bob Key, the former Dean of Jersey, had suffered a grave injustice at the hands of the Church of England during the events that led up to the decision on 9 March 2013 to strip him of his commission over the safeguarding issue to which the right reverend Prelate referred.

That followed publication of an investigation carried out for the Winchester diocese by a psychotherapist called Miss Jan Korris. Her report was highly critical

of the dean but contained serious flaws. As the noble and right reverend Lord, Lord Chartres, said in his brilliant report on the relationship of the Channel Islands to the wider Church of England:

"That there were flaws may, in significant measure, be attributable to the fact that the draft report was published on the diocesan website before the participants could take advantage of the offer provided by Ms Korris to give them the draft report" before publication.

Adding to the hurt caused to the dean and to others on Jersey, it remained there until 2016 and the right reverend Prelate the Bishop of Winchester and the dean never met to discuss it. The dean was reinstated on 28 April 2013, but not before considerable distress was caused to him and his wife and much damage done to the relationship between the diocese of Winchester and the church in Jersey.

In the next month, a further inquiry was commissioned by the right reverend Prelate the Bishop of Winchester under the chairmanship of Dame Heather Steel, a former judge of the High Court of Justice and the courts of appeal on Jersey and Guernsey. A full-page advertisement in the name of the right reverend Prelate was inserted in the *Jersey Evening Post* on 3 August 2013 about the Steel investigation. It included the words:

"upon receipt the Bishop of Winchester will supply a copy of the report ... to the Bailiff of Jersey, the Dean of Jersey and the Ministry of Justice."

Within three months, the right reverend Prelate was able to say that, based on what he had seen of Dame Heather's findings to date, he would not be taking disciplinary action against any member of the clergy, but had decided not to publish the Steel report. It was not until May 2016 that the Bailiff of Jersey was told that he would not get a copy of the report, and that prompted the response from him that

"the decision will come as a disappointment to many in and outside the islands."

As someone who knows the Channel Islands well—I declare an interest as a vice-chair of the Channel Islands All-Party Parliamentary Group—I can tell the House that that was quite an understatement. The view on Jersey about how their much-loved and respected dean, who served ex officio in the States Assembly and had a commission under letters patent from the Queen, was one of hurt and outrage.

One example—there are many others—is a letter from Senator Sir Philip Bailhache, a former Bailiff, to the most reverend Primate the Archbishop of Canterbury on 4 November 2015. It states:

"It is a sad fact that no pleasure has been expressed, either publicly or privately (to the best of my knowledge), by the Bishop of Winchester that the clergy in Jersey have been exonerated.

Furthermore, no expression of regret has ever been forthcoming for the unjustified humiliation and distress visited upon the Dean and his wife."

A press release issued on 19 May 2016 by the chambers of the Bailiff, William Bailhache—Sir Philip's brother—stated:

"Dame Heather telephoned the Bailiff this morning as she too had received notice from the Bishop of Winchester's lawyers of his decision not to publish her report. She said that she had written to the Archbishop some months ago to say that the Dean and the other member of clergy concerned were good men who should be exonerated. She told the Bailiff that 'This exoneration should now be made public. It is totally inappropriate that my report should be suppressed without reference to this fact.'"

[LORD FAULKNER OF WORCESTER]

On the same day, the Bailiff received a letter from the most reverend Primate the Archbishop of Canterbury, in which he said that he had

“met the Dean and his wife at Lambeth on 11th May.”

He stated:

“I remain deeply conscious of the enormous personal stress, hurt and uncertainty which Bob and Daphne have suffered” and referred to Dame Heather’s public statement that “no blame for the handling of the original complaint ... can rightly be attributed to them.”

He also said that he offered

“an apology for the hurt and the treatment which they have received over these past years”.

The most reverend Primate’s generosity of spirit, will come as no surprise to those of us in your Lordships’ House who admire him and regard him as a friend. It is a pity, though, that not everyone in the Church hierarchy has shown a similar understanding towards the former dean’s difficulties. Had they done so, it might not have been necessary for this measure to be brought before us and for the Channel Islands to move from the diocese of Winchester to the diocese of Salisbury after 451 years. I beg to move.

5.13 pm

Baroness Bakewell of Hardington Mandeville (LD)

[V]: My Lords, I am grateful to the right reverend Prelate the Bishop of Birmingham for setting out so clearly the background to and information on the Motion. I can see that this is extremely complicated and distressing; I am grateful to the noble Lord, Lord Faulkner, for setting out the distressing background to this Measure.

The Church of England, of which I am a member, has some very obscure mechanisms for dealing with its internal operations—something that Trollope would still recognise if he were alive today. I am well used to parishes being moved to different deaneries as the number of worshippers changes and the availability of clergy in post diminishes. I am also used to some deaneries disappearing altogether and the boundaries of others being extended, but this is the first time I have come across a transfer from one diocese to another. Of course, it may be much more common than I imagine and just has not crossed my radar before.

The Channel Islands are a very distinctive community. Guernsey and Jersey have their own legislatures. They are beautiful, interesting and have a good climate. Most of us know this, and know that they are the only UK soil to have been invaded during the Second World War. Therefore, it seems all the more poignant that they should have suffered the sorry tale of the events that we are debating today. Safeguarding can be a thorny problem; if it is not handled well, there are ramifications for a number of people on the sidelines.

There are sure to be differences of opinion on both sides about the outcome, and having read the briefing paper, I believe that moving the Channel Islands from the Winchester diocese to that of Salisbury is the right way forward. Following the report of the commission of the noble and right reverend Lord, Lord Chartres, on 10 February the General Synod Business Committee decided that the measure should pass to the final approval stage, which it did on 13 February. There it

was passed overwhelmingly by all three houses: bishops, clergy and laity. I do not believe that engaging in the delay that would have occurred had Dame Heather Steel’s report been considered by the Ecclesiastical Committee was necessary.

I am content that this matter has been dealt with properly. I am afraid I do not support the noble Lord, Lord Faulkner, in his Motion to go back through the process of engaging the Ecclesiastical Committee, four members of which are taking part in this debate. Having long been a passive supporter of the disestablishment of the Church of England, especially when dealing with faculties, I am not persuaded. It is time to move on. I support the right reverend Prelate in the Church of England’s wish to move the Channel Islands to the diocese of Salisbury.

5.16 pm

Lord Kirkhope of Harrogate (Con) [V]: My Lords, unlike other distinguished Members of this House who have taken part in this debate, and who in some cases have enormous experience of these issues, I have no interests to declare of close connections to the hierarchy of the Church of England, and I have been a not too regular communicant over the years. However, I am a lawyer, and am most interested to see equity and justice.

At one level this is a simple transfer of oversight over the Channel Islands or bailiwicks from one mainland diocese to another—from Winchester to Salisbury—but to me, as a relative outsider, it raises a number of questions, especially now that I have read the papers and reports, from the commission of the most reverend Primate the Archbishop of Canterbury, so ably chaired by the noble and right reverend Lord, Lord Chartres, and the Ecclesiastical Committee’s evidence session on 19 June. I have concluded that a set of unfortunate human relations breakdowns and misunderstandings are the basis of these proposals. Is that a good enough reason for this massive constitutional change? There have been a number of problems, not just one, but is this not using a mallet to crack a nut? Can the right reverend Prelate comment on this?

Also, it appears that there has been a long period—some seven years—with no proper relationship in place between the islands and the mainland Church. Was this not detrimental to the care and protection of the islanders? Looking at the historical issues, the link with the Winchester diocese has, as the right reverend Prelate pointed out, been maintained since 1569, through war and peace, so simply replacing one diocese with another without the same long connection needs a good reason. As the commission’s report also states, none of this should be agreed without a more thorough examination of the legal and constitutional relationships between the Channel Islands and the mainland in Church matters. Again, the excellent report of the commission highlights that mere understandings going back 400 years were not really sufficient to handle disciplinary matters or changes in international human rights rules, and not sufficiently precise in direction to deal with disputes between islands and mainland, and, more practically, between different grades in the Church hierarchy.

I am interested in hearing the right reverend Prelate's responses, but I am forced to conclude that we must be very careful not to make such radical changes in institutional structures for what might appear, to the layman at least, to be situations which surely are soluble in some other way.

5.19 pm

Lord Chartres (CB) [V]: My Lords, I am very glad to follow those comments by the noble Lord, Lord Kirkhope. He raises some very pertinent questions, which I shall attempt to address as someone who chaired this commission, as the right reverend Prelate the Bishop of Birmingham said in his excellent introduction. I was very fortunate in my fellow commissioners, to whom I pay tribute. One is a distinguished Member of your Lordships' House, the noble Baroness, Lady Wilcox, and the other is the eminent and learned judge, Sir Christopher Clarke.

The noble Lord, Lord Faulkner, very properly described the painful sequence of events. There had been a breakdown in relations between the diocese of Winchester and the church and deaneries of Jersey and Guernsey. We discovered, through our visits to the islands and interviews with the various interested parties, a desire for reconciliation on all sides, but a general agreement that there was no going back. The noble Lord, Lord Kirkhope, very properly asked what the interim measures were. As a matter of fact, interim oversight of the church in Jersey and Guernsey was given to an assistant bishop in the diocese of Winchester, Bishop Trevor Willmott, to whom I pay tribute and who did some extraordinarily good work.

The hope is that this new structure will enable us to move forward and, in course of time, will lead to a healing of memories. But, as the noble Lord, Lord Kirkhope, suggested, it is clear that much of the difficulty arose because of a lack of clarity about the respective roles of the diocesan bishop and the deans of Jersey and Guernsey in the context of the very particular constitutional and legal traditions of the Channel Islands. It was our task as a commission not to pass judgment on the controversies of the past but to identify a clear way forward that would both recognise the enhanced responsibilities of modern bishops in contemporary culture—particularly for matters such as safeguarding—and respect the particular traditions of the Channel Islands.

As we debate this afternoon, there is a great deal of work going on to amend the canons and to establish a much clearer set of protocols to enable a fruitful partnership between the deaneries and other parts of the Church of England. By supporting this Motion, noble Lords will be creating a foundation for the trust and the certainty that are necessary if we are to learn from the painful experience of the past. This Measure will ensure that, as far as possible, there is a structure within which the Church of England in both the diocese of Salisbury and the deaneries of Jersey and Guernsey can flourish.

5.22 pm

Lord Addington (LD) [V]: My Lords, we are used to seeing some fairly strange-looking bits of legislation coming from the Church of England and going through Parliament but, when I first looked at this, I wondered

what it was and did a quick double take, because it is not usual to move control from one diocese to another. Then a little bit of digging seemed to expose something that was basically—well, the cock-up school of history is what comes to mind. There has been a huge row that it seems could not be resolved except by a huge change in management. I may be oversimplifying it and missing one or two of the finer points, but I do not think so.

The noble and right reverend Lord, Lord Chartres, has just given us more background, and my noble friend Lady Bakewell summed up what would probably be my attitude at the end of this—but the questions initially asked by the noble Lord, Lord Kirkhope, need reiterating. So, when he sums up, can the right reverend Prelate say what lessons have formally been learned and what processes will be brought into place to stop this sort of thing happening again, or at least make it less likely?

If you have something where information is not coming out and people do not know exactly what is going on, reputations are getting damaged and it is going on for longer, that is basically a failure of the system, regardless of the initial complaint. Can we have an assurance that, at the end of this, the Church, which is the established Church and an official part of our nation, will have better management processes in place? That is what we deserve to get out of it, as do all those involved and all the parishioners.

It may be further complicated because of the status of the Channel Islands but, with such a process and knowing that the institution itself has taken these things on board and is looking at them, we can take away from this at least some reassurance that it will not happen again or, at least, if it does, things will be dealt with that little bit quicker.

5.25 pm

Lord Elton (Con) [V]: My Lords, it is fairly clear that all this sprang from obscurity of legislation, so it is very proper that we should use these processes to bring legislation into clarity. One thing that must be done is that the ledgers, tomes or articles of recollection that are kept in the bailiwick and the new associated diocese must be inscribed with advice to successive holders of the three offices that they must maintain close communication with each other as a matter of course and immediately bring to light any case where there is disagreement about the meaning of the legislation or the other documents that regulate the procedures.

In essence, the Ecclesiastical Committee seems to have agreed to a new body of law, and that is how it should be maintained. It is deeply regrettable that it was such a painful experience that brought the ambiguity to light. It will be small consolation to those who have suffered that things have now been arranged so that it is unlikely to occur again. However, the debate that we are having now offers them the same solace that the Archbishop of Canterbury has done, and that is the least that can be said now.

5.27 pm

Viscount Waverley (CB) [V]: My Lords, this is a sad situation. However, when a relationship goes off-kilter, it is sometimes best to move on rather than attempt to repair the irreconcilable. I therefore believe that the

[VISCOUNT WAVERLEY]

pragmatic course has been followed. The detail of why Portsmouth might have been more geographically expedient than Salisbury has already been satisfactorily considered, so this formality should be endorsed.

However, I have a broader question. The noble Lord, Lord Addington, put it succinctly but in a different manner. Is there any concern that a precedent will have been established whereby the Synod or any other relevant body regrets this measure as being a mechanism that could disrupt tried-and-tested current arrangements in future, should other independent law-making jurisdictions—I am thinking particularly of Crown dependencies, but it could possibly be extended to the Church in Nigeria and elsewhere—feel so inclined?

5.28 pm

Lord Mann (Non-Afl) [V]: The last church meeting I attended was 40 years ago, when my concluding comment was that Church politics made even the Labour Party transparent in its operations—so it is a bit of a mystery to be participating as a new Member of the House of Lords in working through where the tax avoiders of Jersey ought to be linked in terms of the Church of England. It seems to me that at some stage, just as we give Ministers huge powers without making them come back to Parliament, greater powers, if not the entire power of the Church of England, ought to be given to the Church of England, which should not be required to come to Parliament—whether that requires disestablishment or not.

This issue arose because of allegations of child abuse, and Jersey has a particularly bad reputation for its approaches, systems and attitudes—so it is hardly a surprise to see the Church of England getting itself into such a tangle when allegations are made. However, it should be said that the approach of the Church of England in tackling child abuse over the past 10 years has been better than that of many other institutions in this country. There has been honesty and integrity in the way in which the leadership of the Church of England has faced up to many problems, and that should be part of the context of this debate. Frankly, if the Church of England wants to go in this particular direction, it should be allowed to do so. At some stage, we need to change the law so that it is not required to come back to Parliament to be authorised to make organisational changes of its own choice.

5.30 pm

Lord Cormack (Con) [V]: My Lords, in almost 50 years on the Ecclesiastical Committee, I have never come across a Measure quite like this. It has my complete support. There was clearly a total breakdown in relationship between the former Bishop of Winchester and the Channel Islands, with regard to the dean in particular, and I believe this is the right way forward as it offers a clean break.

What concerns me particularly is the time it takes for the Church of England to handle this sort of issue. Nobody can minimise the importance of safeguarding. It is, of course, essential that we have a proper system. If somebody is accused of something, it is very important that the matter is dealt with expeditiously, fairly and justly. Here in Lincoln, where I live, we have had an

unfortunate period over the past almost 18 months now. I make no comment on details, save to say that I just wish we could have these things handled more expeditiously. One must not forget that it is not just the individuals against whom accusations are made whose lives are turned upside down; parochial life, and sometimes diocesan life, are effectively put on hold, and that is not good.

So I give this Measure my support unreservedly. I hope that there will be good relations henceforth within the now expanded diocese of Salisbury; I hope that one of the suffragan bishops will be given a specific and particular responsibility for the Channel Islands so that he or she can visit regularly and give a real pastoral oversight; and I hope, above all, that we have no more protracted delays within the Church of England when such matters are being discussed.

5.33 pm

Baroness Butler-Sloss (CB) [V]: My Lords, I am chairman of the Ecclesiastical Committee. Although the committee did not see the report of Dame Heather Steel, it heard compelling evidence in support of this Measure, which has been strongly supported by the synod. There was unanimous agreement that the Measure was expedient and should pass. I do not, therefore, support the amendment.

5.34 pm

Baroness Northover (LD) [V]: My Lords, I thank the right reverend Prelate for introducing this Measure. The Channel Islands are very special places. I had the privilege of some responsibility for them as they came under the Ministry of Justice when I deputised for the lead Minister, my noble friend Lord McNally, during the coalition Government. I also have a personal link. My mother, who taught in London in the Blitz, wanted to go abroad after the war—“abroad” meant Jersey—to teach at St Ouen’s primary school, formerly a parish school, where she fell in love with the islands and their people. She took the *Jersey Weekly Post* throughout her life, as she followed what “her children” then did with their lives.

I therefore read the September 2019 report of the commission chaired by the noble and right reverend Lord, Lord Chartres, with a sense of sadness. The different and independent status of the Channel Islands clearly played a major part in the conflict here. The spark for the problem was a possible safeguarding issue and the apparent desire of the right reverend Prelate the Bishop of Winchester to respond to concerns in a way that over the years has not always been the case. However, what emerges is the uneasy relationship between the deans in the islands—almost mini-bishops—and their links with the mainland Church.

It is sad that in the end the historic link with Winchester, which dated back to Reformation times, has been severed, but I can see that it makes sense that the islands may now be linked with the equally historic Salisbury. I regret how long this has taken and the breakdown of communication, and I hope that relationships can be mended.

I note that the legislatures in the islands need to approve this change. I am concerned, however, about why the second report, by Dame Heather Steel, which

exonerated the dean and after which he received an apology from the most reverend Primate the Archbishop of Canterbury, was not made public. I note that the original complainant has said she did not wish the report to be published, but was that right? It is necessary now, more than it ever was, to be so much more transparent. As has been noted, the non-publication of the Steel report further undermined trust.

The noble Lord, Lord Faulkner, made a very compelling case, which I hope will be of some comfort to the dean and the people of Jersey. The unique relationship of the Channel Islands with the United Kingdom made a difficult situation much more problematic, and I hope that the clarity of the 2019 report and the measures it proposes will assist. Human struggles in the Church, as elsewhere, of course echo down the years. I wish the Church in the United Kingdom and in the Channel Islands the very best in resolving this matter.

5.36 pm

Baroness Hayter of Kentish Town (Lab): My Lords, I start by thanking the right reverend Prelate the Bishop of Birmingham for giving us a bit of a history lesson in his introduction. That is always a useful addition. However, I hope that what he is proposing is rather more successful than No. 10's apparent desire to move us to York—a matter that we discussed yesterday.

In the present case, unlike the No. 10 briefings, which so upset your Lordships, there has clearly been much discussion with and involvement of all relevant stakeholders, together with the thoughtful report of the noble and right reverend Lord, Lord Chartres, and his colleagues, and the thoughtful process that followed from that. I regret that any of your Lordships' committees should not have access to any of the documents that they feel they need to do their work, but, as we have heard from the chair, the committee feels confident that it had sufficient information to make this recommendation, and I fully support this Measure. I hope that its implementation can now flow smoothly and quickly.

If the right reverend Prelate the Bishop of Birmingham has some spare time, he might try also to persuade people that we should follow Section 4(2) of what is before us and put all our 16 year-olds on the electoral roll for Parliament and not simply for Church matters.

5.38 pm

The Lord Bishop of Birmingham: My Lords, I am grateful for the detailed care that each of the participants in the debate has taken over what is a complex and sensitive matter. I am particularly grateful to the noble Lord, Lord Faulkner, for bringing forward his concern from the Ecclesiastical Committee. Of course, as the noble Baroness, Lady Hayter, has just said, it is regrettable that the committee does not have access to everything that it thinks it needs. Winchester Crown Court made an anonymisation order on the report in question and therefore it has still not been published.

Referring to the remarks of the noble Lord, Lord Faulkner, it is also right that the former dean of Jersey, the very reverend Bob Key, should be known to have been exonerated and to have had a very personal profound apology for the distress that he and his wife

experienced during that time. As we know, for both respondents and complainants in the area of safeguarding in particular, it can be an extremely painful time for everyone concerned.

I am very grateful to those who are wrestling afresh with the Church of England and its mechanisms, both legal and pastoral, for their understanding that a Church governed by the law of the land, as well as by canon law, can sometimes have a slow and laborious way of dealing with urgent and painful problems. I was grateful to the noble Lord, Lord Cormack, for mentioning that in his remarks.

The noble Lord, Lord Kirkhope, got a clear and helpful response to his concerns from the chair of the archbishop's commission, the noble and right reverend Lord, Lord Chartres, who said that this complex set of relationships between the different jurisdictions in the two bailiwicks, and the Church of England and Parliament, needs to be resolved. I think the word "cautious" was used to describe the nature of the approach to it, which is sensible. The depth with which the commission went into the matter shows not only caution but profound understanding that something needed to change, particularly for the good of the Channel Islands.

The noble Lord, Lord Addington, asked that lessons be learned. I am grateful for his challenge on that. As a Church, we are in continuous learning, particularly around the needs of those who are weak or vulnerable. Although the noble Lord, Lord Mann, mentioned child abuse, in this case, the report of Dame Heather Steel mentioned allegations involving vulnerable adults. Everyone at some point in their life is vulnerable, and the Church and the law seek to make justice work for everyone. In summary, the process we are trying to exercise is that, first of all, everyone is safe, and, secondly, justice is done on all sides. However, deep reconciliation and bringing broken relationships back together can take a considerable amount of time and courage, and this important work may be still ahead of us.

The noble Lord, Lord Elton, with his great experience, helpfully said that this looked like a clarification of legislation and therefore, although it seems complex, it should enable both the law of the land, and its improvements in safeguarding and the way that discipline is exercised, and the local traditions of the two bailiwicks to come together in a new, transparent and open way, as your Lordships have said.

The noble Viscount, Lord Waverley, was concerned that this might set a precedent. I am grateful to him for mentioning this but reassure him that the only other area that the established Church of England has a connection with in this respect is the Isle of Man. There has been a diocesan bishop in the Isle of Man since medieval times. The bishop is a Member of the Tynwald, and there is no possibility of an English diocesan bishop having jurisdiction in that area. The Crown dependencies, which he mentioned, and other countries are not subject to the established Church of England.

I am grateful to those who have spoken in support of this Measure. I hope that those who have thought about it carefully will reject the amendment and support the Measure in its entirety. Before I close, I pay tribute to all those who have worked so hard to bring the

[THE LORD BISHOP OF BIRMINGHAM]

Measure to fruition, in what have sometimes been, as we have heard, very painful circumstances. I thank the noble and right reverend Lord, Lord Chartres, who chaired the commission, helped ably by a member of staff, Jonathan Neil-Smith; the Second Church Estates Commissioner, who did his bit in the other place in the past 24 hours; the Ecclesiastical Committee itself, and its members from the other place and here who work tirelessly; and our own Church of England Legal Office.

The archbishop's commission concluded its report by remarking that the islands draw on a "strong reservoir" of loyalty and good will towards the Church of England. With those who work so hard and those such as the noble Baroness, Lady Northover, who have strong family ties with the islands, I pray for the forging of relationships that both acknowledge national policies—such as on discipline and safeguarding, which I have referred to—and release energy for mission in a way that will enable the islands and the wider Church to flourish.

5.45 pm

Lord Faulkner of Worcester [V]: My Lords, I shall be very brief. I thank particularly the right reverend Prelate the Bishop of Birmingham for his remarks just now. The most important thing, as far as I am concerned, is that the people who were hurt by the events of the last few years on Jersey will have gained some comfort from the remarks made in this debate tonight, and particularly from the support of the most reverend Primate the Archbishop of Canterbury, to whom I referred in my earlier speech.

It was never my intention to divide the House tonight, or to force a vote that would send an issue back to the Ecclesiastical Committee. My purpose in tabling the amendment was to give your Lordships an opportunity to hear some of the background to the circumstances which led to this conclusion being reached and the moving of the Channel Islands from one diocese to another. I have spoken to the former dean, Bob Key, on two occasions—once this afternoon as well as earlier in the last couple of weeks—and I have been in touch with the islands. I can say that everybody concerned is content with the proposal and supports this Measure, as indeed I do wholeheartedly. However, it is important that, when individuals are unfairly singled out for criticism and there is no proper redress or a proper apology given, that should be brought to light; we should have the opportunity to express those views and put those concerns on the record, as we have done in this short debate.

Above all, I support the Measure. I congratulate the right reverend Prelate the Bishop of Birmingham, and I thank him and the noble and right reverend Lord, Lord Chartres, in particular, for the kind things they said about my contribution. With that, I beg leave to withdraw my amendment.

Amendment withdrawn.

Motion agreed.

5.48 pm

Sitting suspended.

Arrangement of Business

Announcement

6.15 pm

The Deputy Speaker (The Earl of Kinnoull) (Non-Aff): My Lords, the hybrid sitting of the House will now begin. Some Members are here in the Chamber, respecting social distancing, and others are participating remotely, but all Members are treated equally. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. The usual rules and courtesies in debate apply.

We now come to questions on the Statement on the publication of the Independent Medicines and Medical Devices Safety Review. It has been agreed in the usual channels to dispense with the reading of the Statement, and we will proceed immediately to questions from the Opposition Front Bench. I ask that questions and answers be brief.

Independent Medicines and Medical Devices Safety Review

Statement

The following Statement was made on Thursday 9 July in the House of Commons.

"With permission, Mr Deputy Speaker, I would like to make a Statement about the independent medicines and medical devices review. This review was announced by my right honourable friend the Member for South West Surrey (Jeremy Hunt) in February 2018, in response to public concern about the safety of medicines and medical devices used by the NHS. It focused on three areas. The first is Primodos, a hormone-based pregnancy test that is claimed to have led to miscarriages and birth defects during the 1960s and 1970s. It was prescribed to more than 1.5 million women before it was withdrawn from use in 1978. The second is sodium valproate, an anti-epilepsy drug that has been definitively linked to autism and learning disabilities in children when taken during pregnancy. The third is the vaginal mesh implants used in the treatment of pelvic organ prolapse and stress urinary incontinence, which have been linked to crippling, life-changing side-effects.

Baroness Cumberlege was asked to conduct a review into what happened in each of those three cases, including whether the processes that were followed were sufficient when patients' concerns were raised. She was also asked to make some recommendations for the future, such as: how to consider the right balance between the criteria or threshold for a legitimate concern; how best to support patients where there might not be a scientific basis for their complaint, but where they have still suffered; how we can enhance the existing patient safety landscape; and how we can be more open to the insights that close attention to patient experience can bring.

The report has now been published, and a copy has been deposited in the Library of the House. It makes for harrowing reading. Every page makes clear the pain and suffering that has been felt by so many patients and their families. As Baroness Cumberlege herself said, they suffered 'avoidable harm'. She said

that she had listened to the heart-wrenching stories of acute suffering, of families fractured, of children harmed and so much more.

On behalf of the health and care sector, I would like to make an apology to those women, their children and their families for the time the system took to listen and respond. I would also like to thank every single person who has contributed to the review. I know that some of them wanted to be here in the House today. They felt as though their voices would never be heard, but now they have been, and their brave testimony will help patients in the future. I have watched and read some of their testimonies. They left me shocked, but also incredibly angry and most of all determined to make the changes that are needed to protect women in the future. It is right and proper that the victims were the first people to see this report. As a Government, we have now received its findings and, as honourable Members will understand, we are taking time to absorb them before we respond. That is the least that the report deserves. We will update the House at the very earliest opportunity.

I would like to thank Baroness Cumberlege, who has carried out her work with thoroughness and compassion. She has worked tirelessly to ensure that patients and their families have been heard, and I would like to pay tribute to her and her team. I know that the patients' stories that they have heard have been harrowing and, at times, frankly beyond belief. She has done us all a great service by highlighting them, along with the suffering of so many women and their families. I know that there will be strong feelings across the House about the report, and that honourable Members will be eager to hear a fuller response. However, it is imperative for the sake of those who have suffered so greatly that we give the review the full consideration that it absolutely deserves.

It is clear, as I am sure the whole House will concur, that the response to these issues from those in positions of authority has not always been good enough. The task now is to establish a quicker and more compassionate way to address issues of patient harm when they arise. We must ensure that the system as a whole is vigilant in spotting safety concerns, and that we rapidly get to grips with the concerns identified by the report. We must make sure that different voices are invited to the table and that patients and their families have a clear pathway to get their answers and a resolution. The issues tackled in this report are, from one perspective, complex—matters of regulation, clinical decision-making and scientific judgment—but there is one simple core theme that runs through all of this, and it goes to the heart of our work on patient safety. It comprises just two words: listening and humility. So much of the frustration and anger from patients and families stems from what they see as an unwillingness to listen—for us to listen and for them to be heard. We need to make listening a much stronger part of clinical practice and to make the relationship between patients and clinicians a true and equal partnership.

While the review has been progressing, the Government and the NHS have taken a number of steps relating to the concerns it has raised. However, there is always more that we can do, and it is clear that change is needed. We owe it to the victims and their families to get this right. I commend this Statement to the House."

6.16 pm

Baroness Thornton (Lab) [V]: My Lords, I thank the Minister for the Statement. I start with the words of the chair of the review, our colleague, the noble Baroness, Lady Cumberlege, who said when she launched the report last week that she was shocked by the sheer scale and intensity of suffering. She said:

"I have conducted many reviews and inquiries over the years, but I have never encountered anything like this ... Much of this suffering was entirely avoidable, caused and compounded by failings in the health system itself."

I congratulate the noble Baroness on conducting an inquiry over the last two years that has been praised by everyone concerned, particularly the patient groups and those affected.

Some of us have been discussing the problems addressed in this report for many years. We have heard about the hormone pregnancy test Primodos, the anti-epileptic drug sodium valproate and, in recent years, use of vaginal mesh in surgery. It is important to pay tribute to the bravery and persistence of the patients and patient groups, but also to the parliamentarians whose work helped to persuade the Government to establish the inquiry two years ago. The All-Party Groups have been vital, as have Yasmin Qureshi MP, Norman Lamb MP, Owen Smith and Sharon Hodgson MP, to name but a few.

On the surface, the three medical issues are separate. What links the medicines and devices is that they were all taken or used by women—in two cases, by pregnant women. As my honourable friend Alex Norris MP said last week in the Commons,

"these cases reek of misogyny from top to bottom—and ageism and ableism as well."—[*Official Report*, Commons, 9/7/20; cols. 1148-49.]

We also have to look at the reaction of the healthcare system, which, according to the report, failed to monitor the use of these medicines and medical devices, then failed to identify and acknowledge the things that had gone wrong, then failed to work to improve. The review sets out the missed opportunities when something could or should have been done to prevent harm. Instead, there was a culture of denial, disjointedness and defensiveness that failed to listen to patients' concerns.

Our NHS failed to protect these women and their families. It is therefore right and welcome that the Minister's first reaction has been immediately to offer an unqualified apology, which is the first of the nine recommendations in the report. The Secretary of State said that listening and humility are in order. That is right, but it now needs to be followed by action to make the process worth while and to address the suffering. I hope that in this discussion the Minister will be able to outline what the Government will do to implement the rest of this report and to what time-scale. The most sensible way forward is the ninth recommendation, which is to set up a task force to implement the other recommendations. Will this be done, and by when?

On recommendation 2, I can see that progress has already been made. But can the Minister explain what legislative underpinning would be needed for a patient safety commissioner? Some of us are very puzzled as

[BARONESS THORNTON]
to where the delightfully named HSSIB is—the patient safety Bill—and whether that would have been a good complementary vehicle.

Recommendation 3 calls for:

“A new independent Redress Agency for those harmed by medicines and medical devices”

to create a new way of delivering redress in future. It suggests that manufacturers and the state should share the costs. Would the Minister care to tell us how that might be achieved?

Recommendation 4 suggests:

“Separate schemes ... for each intervention—HPTs, valproate and pelvic mesh—to meet the cost of providing additional care and support to those who have experienced avoidable harm”.

How might that be achieved? I also have one question relating to mesh and all other implants. How will the Government ensure that they are safe to use? A register is obviously a good step forward and is in the Bill that we will discuss in the next few months, but why do the regulations on implants not provide for trials, as with medicines?

On recommendation 6, will the Minister commit to amendments to the Medicines and Medical Devices Bill to strengthen the Medicines and Healthcare products Regulatory Agency’s regulatory regime? On these Benches, we are committed to implementing the nine recommendations in this excellent report. We will seek to use the forthcoming MMD Bill to do so, and we wish to work with the Government to explore how best to achieve that.

Baroness Brinton (LD) [V]: My Lords, on behalf of the Liberal Democrat Benches, I too thank the noble Baroness, Lady Cumberlege, and her team for such an outstanding report. It is not only comprehensive but blunt in its language, so that no one can misunderstand the failings of all levels of the healthcare system, whether in our NHS or other health and research settings, over many years. We too pay tribute to those women, and their children and families, for continuing against all the odds for years when too many ears, including the Government’s, were deaf. I also pay tribute to the many parliamentarians, including Norman Lamb, who over the years supported them. They pushed for this review in Parliament and raised it in any way they could.

Ministers have apologised for these failings, including for the system not listening and for not acting soon enough, over the decades since patients first started to raise the problems with these three medical interventions. Last week, when I asked the Minister about the timetable for implementing the recommendations, he said that “it will take some time for the Government to study these recommendations ... and to come back on the timetable”.—[*Official Report*, 9/7/20; col. 1224.]

The noble Baroness, Lady Cumberlege, says in her letter introducing the report:

“Over the past two years we have found ourselves in the position of recommending, encouraging and urging the system to take action that should have been taken long ago.”

She also said:

“Implementation needs to be approached with a new urgency and determination, founded on the guiding principle that our healthcare system must first do no harm.”

When the interim report was published, leaving this House in no doubt about the direction in which the review group was proceeding, many people expected action at that point.

I am grateful to Epilepsy Action for its briefing, which demonstrates exactly why urgent action must be taken now. Epilepsy Action, the Epilepsy Society and Young Epilepsy jointly surveyed over 500 women and girls who had taken sodium valproate since the pregnancy protection plan was introduced two years ago. One in 10 was unaware of the possible risks of birth defects. Almost half said that they had not discussed the risks of taking medicine with their health professional in the last 12 months, and only four in 10 said they had signed the annual risk acknowledgement form. For patients and families who have suffered as a result of these interventions, urgent action needs to be taken on government departments such as the DWP regarding the way it assessed the damage caused, and on how government as a whole compensates them for this gross injustice.

So I ask the Minister again: when will the Government return to those affected and to Parliament with clear recommendations and a timetable to do honour to the report and to all those affected? And when will the various bodies in our healthcare sector be set a deadline to publish the list of recommended actions that they will take that will not need parliamentary action? Last week, the Minister told your Lordships’ House that the Government had moved ahead on one of the recommendations—the creation of a patient safety commissioner—but their version is not independent, as asked for in the report.

So much of this report is about changing cultures: we still have not learned from Mid Staffordshire, East Kent and Shrewsbury maternity care, all of which Ministers have rightly been appalled by. For all the excellence and commitment of the individuals who, singly and collectively, provide our unique healthcare in the United Kingdom, there remains an unhealthy culture in some parts that does not listen to patients, does not understand conflicts of interest and resists change. That must change, it must change soon and it must be led from the top by the Government.

The report quotes Professor Ted Baker, chief inspector of hospitals for the CQC:

“I have to say 20 years later it is very frustrating how little progress we have made. It’s clear to me we still have not got the leadership and culture around patient safety right. As long as you have that culture of people trying to hide things, then we are not going to win this.”

Armed with this blunt and excellent report, I hope that the Minister can demonstrate the Government’s support with firm actions and dates, and not just with warm words that will drift away. The hopes of patients and their families and the future safety of our healthcare system depend upon it. When, Minister, when?

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con): My Lords, I start by reiterating the tributes from both noble Baronesses, Lady Thornton and Lady Brinton, to my noble friend Lady Cumberlege and her team, who have worked indefatigably on a high-quality report that does justice to this important cause. Most of all,

I pay tribute to the patient groups, the specialist groups and those who campaigned on these important issues and who have brought attention and a huge amount of official focus to causes that had been overlooked for years and decades. I pay tribute to their patience, their expertise and their stamina in bringing these important causes to attention. It is entirely right that the Minister, my colleague Nadine Dorries, made an apology to those groups, and I reiterate that apology on behalf of the healthcare system to all the families affected by the report, for the time it has taken to listen and to respond to their concerns.

Both noble Baronesses referred to the culture that led to these issues being overlooked. I think that that is one of the most important learnings from this report. As Nadine Dorries said, I thought very movingly, in her speech in the House of Commons, the system has to learn to listen much more clearly. Listening must happen not just from the top but also at the level at which patients engage with the system itself. I think that trying to change that culture is one of the most important challenges facing us today. It is not just a question of bringing in punishment and retribution for those in the professional world who have failed; it is trying to create a culture where mistakes are recognised and accepted and where people address and take on board the concerns of patients themselves—and on that important cause we are hugely focused.

The noble Baroness, Lady Brinton, asked what we are doing. Already, much has been done. There has been progress in lots of areas. We already have 12 different types of patient safety function in place within the NHS: the Patient Advice and Liaison Service; commissioners of NHS services; the Parliamentary and Health Service Ombudsman; Healthwatch; the NHS Complaints Advocacy service; the CQC; the NHS Friends and Family Test; the professional regulators; the Healthcare Safety Investigation Branch; the Professional Standards Authority; the National Director of Patient Safety; and the complaint systems within individual trusts.

That patchwork quilt of patient safety and patient advocacy is an enormous function within the NHS. The report teaches us that it has not been enough to identify the major themes of failures—in this case, involving medical devices—and there has not been the patient advocacy necessary to see complaints through when they have really mattered. It is that question which we are turning to: how do we make these considerable and important efforts to put patient safety at the heart of the NHS more effective?

The noble Baroness, Lady Thornton, asked about the regulatory implementation of that response. The most important legal implementation is the registry of medical devices, which was in an amendment to the Bill on Report in the House of Commons, and it has enormous support from the Government. That registry, which is an incredibly important source of accountability and of clinical information, is the key to preventing such terrible events concerning medical devices in the future.

The report was published only last week, and it will take some time to focus on all its other recommendations. I can update the House on the specialist centres that the report quite reasonably recommended should be

set up: NHS England is assessing bids from NHS providers to be specialist centres for mesh inserted for urinary incontinence and vaginal prolapse.

The noble Baroness, Lady Thornton, also asked about the MHRA regulatory review. The MHRA has begun a comprehensive and far-reaching programme of change, which will include enhancing its systems for adverse event reporting and medical device regulation. The MHRA has taken important steps to put patient advocacy at the centre of the work that it does.

There is nothing we can do today to make good the harm done in the past. However, as both noble Baronesses have rightly pointed out, there is much we can do to put patient safety at the heart of the NHS and to ensure that we have the technology, the systems and the culture to make sure that these mistakes never happen again.

The Deputy Speaker (The Earl of Kinnoull) (Non-Aff): We come now to the 20 minutes allocated for Back-Bench questions. I ask again that both questions and answers be kept brief, so that I may call the maximum number of speakers.

6.33 pm

Lord McColl of Dulwich (Con) [V]: My Lords, I first thank the noble Baroness, Lady Cumberlege, for such a wonderful and constructive report, and all the members of the committee, especially Professor Sir Cyril Chantler, whom I have known for many years.

I have just two questions. Will the report encourage clinicians to consult the appropriate royal college before designing a new treatment? Secondly, after introducing a new treatment or a new operation, should the clinician be encouraged to wait for an appropriate interval to ensure that no complications occur?

Lord Bethell: I thank the noble Lord for his searching questions. The role of the MHRA on both medical devices and medicines has been massively upgraded, and the review process for new medical devices has been improved. However, medical devices have different criteria from medicines.

One of the most important things that we have sought to do is to include a registry of the medical devices themselves and a registry of the medical devices inserted into individuals. Compliance with both procedures is the most important step for clinicians embarking on new products.

Lord Kakkar (CB) [V]: My Lords, I thank the Minister for answering questions on this Statement and in so doing remind noble Lords of my registered interests. In her excellent report, the noble Baroness, Lady Cumberlege, identifies concerns about the lack of evidence that is required prior to the granting of marketing authorisation for many medical devices, where all that is often required is demonstration of equivalence to an already marketed product. The noble Baroness highlights the striking difference that exists with regard to the situation for medicinal products, where robust evidence of efficacy and safety is required before a medicinal product can be marketed. Are Her Majesty's Government content with this situation—this

[LORD KAKKAR]

difference between the level of evidence required before a product and a device can be marketed as regards patient safety? If there are concerns, what approach do Her Majesty's Government propose to take with regard to ensuring that there is proper evidence of both the safety and efficacy of a device prior to its broad marketing and use in large populations of patients?

Lord Bethell: The noble Lord alludes to an extremely difficult balance that we have to seek to make. He is entirely right that medical devices and medicines operate on different criteria. The most important thing is that the MHRA resources for focusing on the approval of medical devices have been improved and the procedures enhanced. However, medical devices remain an important area of potential innovation, and we are concerned not to suffocate this area of potential improvement as it has been suffocated in other areas. At present, the Government believe that we have struck the right balance, but we remain keenly focused on it and it is under constant review.

Baroness Kennedy of The Shaws (Lab) [V]: I add my voice to the tributes that have been paid to those who produced this report, and especially to the women who persisted in having their voices heard. What came through to me very clearly was that the women themselves had not been listened to. It reminded me—I hope it will remind the House—that the complaints of women who were failed by the legal system were very much the same, about not being considered credible and about somehow exaggerating what they were describing and not being heard. It is about changing professional cultures. We have had this in the law and in policing, and we are now having to consider it in the medical professions and probably all our professions. How will the Government deal with embedded attitudes, and how will we change the training of our young medical professionals and change the attitudes inside our teaching hospitals? I want to hear about how you change cultures.

Lord Bethell: The noble Baroness is right: we do not listen to our women clearly enough. The medical health of women is more complicated than the medical health of men, and that point has been overlooked for too long. We are working hard to bring this into the education of young medics and to update the attitudes, procedures and knowledge of those who are already in the profession.

Baroness Jolly (LD) [V]: The noble Baroness, Lady Cumberlege, recognised the importance of regulation in her excellent report. Our regulation system is in a transitional stage. Regarding the European Medicines Agency and the Medicines and Healthcare products Regulatory Agency, the text of the political declaration accompanying the withdrawal agreement stated only that the UK and EU will “explore” the possibility of co-operation. Can the Minister confirm what exploratory talks have been made to ensure that the EMA and MHRA remain strong and convergent post Brexit, and that the MHRA is adequately staffed?

Lord Bethell: The noble Baroness is right that regulation is important, but so is culture. I emphasise the importance placed by the Cumberlege report on a change in

attitude in the healthcare service as much as on a change in regulation. I cannot guarantee that the EMA and the MHRA will be aligned on regulation in all matters, but I can guarantee that the MHRA will be given the resources it needs to do the job properly.

Lord Lansley (Con) [V]: My Lords, as a former Secretary of State for Health, perhaps I may say that I and all my colleagues who have taken responsibility for the NHS over decades should join in expressing our deep regret at the systemic failures laid bare in the report of the noble Baroness, Lady Cumberlege. Will my noble friend reiterate the point about cultural change? It is not just about implementing the recommendations, important as that is, but about achieving cultural change. I direct that point in particular to patient involvement. By that I mean not just consultation, not just a patient voice, not just decision aids but patient-reported outcomes being a central part of the measurement of the performance of our health service and its accountability.

Lord Bethell: I completely endorse the comments of my noble friend. To embellish his point, it has been very interesting to see through Covid how patients have had to track their own symptoms, take advice on 111 for themselves and, in millions of cases, look after themselves at home, possibly with telemedicine to support them. This may be an inflection point in the attitude of many people to their health. I certainly welcome a revolution of patient power and putting patients first in our healthcare system.

Lord Alton of Liverpool (CB) [V]: My Lords, families and dedicated campaigners such as Marie Lyon have told the All-Party Parliamentary Group on Hormone Pregnancy Tests, of which I am vice-chairman, that they have unequivocal admiration for the noble Baroness, Lady Cumberlege, for compassionately understanding their pain and suffering and allowing them, for the first time in more than 50 years, to have hope. Does the Minister agree with the report's conclusion that, when the first comprehensive study, in 1967, identified a link between congenital abnormalities and HPTs, Primodos should have been removed from the market and that this regulatory failure has seen justice delayed and denied? Will there now be an independent re-examination of the contested conclusions of the report of the expert working group? In implementing the Cumberlege recommendations without delay, what practical help and redress will be provided for families whose lives were irreparably blighted by Primodos?

Lord Bethell: My Lords, I completely share the view of the noble Lord and of the patient groups who have unequivocal admiration for the noble Baroness, Lady Cumberlege, who has done the nation a great service with this report. As he knows, the Primodos case is subject to legal dispute, so I cannot comment on it from the Dispatch Box, but no one can read the report without feeling great disappointment that those hardships were suffered by those women. It is of enormous regret to us all.

Baroness Gardner of Parkes (Con) [V]: My Lords, I am pleased to speak today very briefly. I have known the noble Baroness, Lady Cumberlege, for years since

I worked in the health scene myself. She is widely experienced, and no one could have done a better report. It is very impressive and certainly not to be ignored. The various points that she has made, including the nine major recommendations, are all sound and people are very aware of them. We must realise that, though the health service is much loved by everyone in the country, there are failings which we have to accept and work on. I congratulate the noble Baroness on this marvellous report and hope that, as she urged in her press conference:

“This report must not be left on a shelf to gather dust.”

I am pleased to commend the report and the remarks passed.

Lord Bethell: The noble Baroness is entirely right. The report must not be left on the shelf. We have already done much, and in the Medicines and Medical Devices Bill we will do more. The other recommendations will be taken extremely seriously.

Baroness Bennett of Manor Castle (GP) [V]: My Lords, this wonderful but deeply disturbing report has so many points to make, but one point that has not been brought out in coverage as much as it might have been is the noble Baroness's recommendation that the responsibility for ensuring transparency of interests should fall not only on the medical profession but also on manufacturers, who must take responsibility for ensuring that, where they are creating potential conflicts of interest with medical professionals and researchers, they show that. Can the Minister tell me what plans the Government have to make sure that manufacturers are being open, honest and transparent in all their dealings and that, should they not act in that matter, action is taken?

Lord Bethell: The noble Baroness is entirely right that transparency is essential in order to have a fair and equitable healthcare system. The GMC has already considered these areas and has moved a long way. The world has changed considerably since many of these horrific events took place, but I am sure there is more to be done and this recommendation, like others, will be considered seriously by the Government.

Baroness Bryan of Partick (Lab) [V]: My Lords, there is so much to be said about this excellent report, but I shall quote one devastating sentence on mesh implants, where it raises the question

“whether the modification of a device so that it required less skill to insert should have been the preferred option rather than improving the surgical skill base.”

Does the Minister agree that there is an urgent need for a robust surgical training programme for inserting mesh devices and, just as importantly, for their removal? Will resources be put in place for such a programme?

Lord Bethell: The noble Baroness is right to emphasise the dangers of the insertion of mesh. It is a procedure that is still taking place within the NHS. We are looking at bids for specialist units in relevant trusts to build up the kind of specialist skills necessary to deal with the problems that have emerged from mesh procedures that have gone wrong.

Lord Greaves (LD): My Lords, this is yet another outstanding report from the noble Baroness, Lady Cumberlege. The beginning of the “Implementation” section reads:

“Our recommendations are designed to pave the way for a future healthcare system that looks and feels very different.”

This is not only an outstanding report; it is a revolutionary report. Do the Government accept that this is not just another committee of inquiry but an investigation that found the facts and came back with recommendations? Are they going to set up the task force?

Lord Bethell: I completely agree with the noble Lord, Lord Greaves, that this is an important report. I pay tribute to my predecessor my noble friend Lord O'Shaughnessy, who commissioned it. We take it extremely seriously. No one could possibly read about the hardships suffered by the women described in this report without wanting to move swiftly on it. It has only been a few days so I cannot announce a strict timetable for every measure, but I assure the noble Lord that it is taken seriously and we will be moving on it in the very near future.

Baroness Finlay of Llandaff (CB) [V]: My Lords, this important report must become core in every curriculum, because patients must be listened to. It is correct to say that there must be a culture change, but I would like to focus on the third recommendation about establishing a redress agency. How quickly will the Government progress that? Without that, and without changing the whole culture of compensation and complaints, we will not get the openness and listening whereby if somebody comes forward with something they should expect the answer, “Thank you for telling us,” not “Oh well, we'll look into it.” Until that changes and every comment is welcomed and patient-reported and family-reported outcomes are used to move services forward, we will not get the culture change that is needed.

Lord Bethell: The noble Baroness is right about culture change, but we are aware that having a big, clunking fist of financial threat hanging over individuals who are considering the admission of mistakes is not the right combination to create a culture of self-awareness and acknowledgement. We have to move extremely delicately to encourage people and make them feel safe enough to acknowledge the mistakes that might have happened and to embrace the kind of dialogue with patients that is necessary to deal with these results. That delicate balance is one of the most important things to get right in our reaction to this report.

Lord Harris of Haringey (Lab) [V]: We have heard some of this before. Thirty-four years ago, I submitted to the then Secretary of State—now our Lord Speaker—a patients' charter prepared by the association of CHCs, which talked about listening to patients, putting them at the centre of every decision, and having a proper system of redress. Since then, every White Paper published by every successive Secretary of State has paid lip service to those principles, as the Minister has today. But the noble Baroness, Lady Cumberlege, has shown how shallow the commitment has been. The Minister talked about a patchwork quilt of safety mechanisms;

[LORD HARRIS OF HARINGEY]
 can he convince us that this time it will be different? When will the Government say not only that they accept her recommendations in full, but what robust arrangements there will be to make sure that action and culture change actually follow?

Lord Bethell: Let me reassure the noble Lord that this report is taken seriously. But I acknowledge the fact that some of these issues are extremely complex, and when dealing with issues such as sexism, bullying, racism and a failure to engage with patients, there are not single-shot solutions like patients' charters that will somehow transform the ecosphere. We have to look at it in the round, and that is why there will be major interventions like the HSIB, the people plan and the focus on fairness in the workplace that will ultimately make a big difference.

Lord Hussain (LD) [V]: The excellent report from the noble Baroness, Lady Cumberlege, puts patient safety at the heart of everything. I welcome the proposal

in theme 3 on patient-informed consent to ensure that patients really understand and are able to co-sign their patient aid decision with the clinicians. Will the NHS ensure that professional translators able to assist patients who have English as a second language will be there at meetings and to discuss consent with them?

Lord Bethell: The noble Lord is right to focus on this. We have put in place enormous measures to address the issue of translation. Technology is being used in a much more thoughtful way to make sure that translation services can be put into a great many environments. One-to-one translation is also important, and that is why we have emphasised it.

Parliamentary Constituencies Bill

First Reading

The Bill was brought from the Commons, read a first time and ordered to be printed.

House adjourned at 6.53 pm.

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