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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

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

(HANSARD)

IN THE FIRST SESSION OF THE FIFTY-SEVENTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
COMMENCING ON THE THIRTEENTH DAY OF JUNE IN THE
SIXTY-SIXTH YEAR OF THE REIGN OF

HER MAJESTY QUEEN ELIZABETH II

FIFTH SERIES

VOLUME DCCXCVII

FIFTEENTH VOLUME OF SESSION 2017-19

House of Lords

Monday 1 April 2019

2.30 pm

Prayers—read by the Lord Bishop of Peterborough.

Vaccine Hesitancy

Question

2.36 pm

Asked by Lord Faulkner of Worcester

To ask Her Majesty's Government what assessment they have made of the report in the European Journal of Public Health on 25 February that there is a link between anti-establishment politics and vaccine hesitancy.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Baroness Blackwood of North Oxford) (Con): My Lords, while there has not been a specific assessment on the link between anti-establishment politics and public confidence in vaccination, we take the issue of misinformation about vaccines extremely seriously and are working across government to tackle this. We are aware of global concerns regarding confidence in vaccinations knowing the protection that they give against deadly diseases, and I am pleased to say that in this country confidence in our vaccines is very high.

Lord Faulkner of Worcester (Lab): I am grateful to the Minister for that positive Answer. She will know that the World Health Organization has declared the anti-vaccine movement as one of the top global health threats for 2019. That follows the tripling of the number of measles across Europe and the sixfold rise in the United States. The paper in the European Journal of Public Health, to which my Question refers, says that there is a direct link between the rise in populist politics and vaccine hesitancy, and cites particularly

Greece, Italy and France, and of course one would add the United States as well. There is also much disinformation about vaccines spread on Twitter and other social media. Will the Government make vaccination compulsory as their response to this, as over one-third of countries have done and as we did in Britain in 1853 to combat smallpox? Secondly, what progress have they made in forcing the social media companies to take down this misleading information about vaccines?

Baroness Blackwood of North Oxford: I thank the noble Lord for an important question. The UK has one of the most sophisticated vaccination programmes in the world and we constantly guard against threats that may reduce vaccination rates. I am pleased to say that 93% of parents trust NHS staff and advice. The Government recognise the threat posed by disinformation and the upcoming online harms White Paper will set out a new framework for tackling this. PHE's monitoring data on patient and public trust, however, shows that there is no loss of trust in vaccination, which is to be welcomed. On compulsory vaccination, vaccination programmes in the UK currently operate, like all other medical care, on a system of informed consent. At the moment there is little evidence that compulsion would lead to an increased uptake and so the Government have no plans to introduce such a system but instead intend to work with those who have concerns about vaccination.

Baroness Walmsley (LD): My Lords, any distrust of experts sends out a terrible message to all those young people who spend years of study and thousands of pounds becoming experts. Does not our education system fail unless it produces a population who can properly interrogate scientific evidence?

Baroness Blackwood of North Oxford: The noble Baroness is right that we should have great confidence in experts and ensure that young people coming through our education system have that same confidence. This is

[**BARONESS BLACKWOOD OF NORTH OXFORD**] why we can be proud of the high uptake of vaccinations in this country. A number of key components have achieved the high coverage of vaccination. They include national co-ordination of our vaccination programmes, fully trained staff and access to relevant information. We must ensure that this continues so that high level of confidence among parents and patients continues.

Lord Lansley (Con): My Lords, in the study the noble Lord referred to in his Question, the correlation between populist voting and vaccine hesitancy in the United Kingdom was less than in a number of other European countries, but a study in America demonstrated that what was most likely to lead to a positive response from parents was time spent with paediatricians. That is about finding doctors who have the time to explain the purposes of vaccination and to respond to any parental concerns. Will the Minister look at the extent to which family doctors can have that time incorporated into, for example, their Quality and Outcomes Framework remuneration?

Baroness Blackwood of North Oxford: My noble friend is quite right that one of the things that was highlighted in the recent survey about public trust in vaccinations was that 93% of parents trust NHS staff and advice and that 93% of parents remain confident in the immunisation programme. So in order to cover that last percentage, we need to ensure that those parents have access to a GP programme. I therefore encourage parents to speak to their GP or a health professional about vaccinations and to look to credible sources, such as NHS Choices, for their information. I will certainly consider the point raised by my noble friend.

Baroness Greengross (CB): My Lords, by coincidence, tomorrow here in this House I am hosting an event about vaccine policy, specifically about how we improve vaccine coverage in this country because, in spite of what the Minister said, there is room for improvement. Some of us are really quite worried about the decline in some communities and in some parts of the country. Does the Minister agree that much better use of social media is extremely important and necessary if we are to get the positive message about vaccine out there to counter the negative scare stories which do so much harm? Does she agree that more should be made of the intergenerational message? Older people—I refer not simply to Members of this House but to the older population—often have memories of the terrible impact of infectious diseases, whether we are talking about yellow fever, polio or measles. They can tell those who are still young all about them. Surely this will reinforce the importance of the vaccination programme.

Baroness Blackwood of North Oxford: The noble Baroness raises a very important point which is that while social media can be used to spread disinformation or misinformation, it can also be used in a positive way to spread the positive value of vaccinations. That is why we want to work with those who have doubts about vaccination to highlight the benefits of vaccinations, the protection that they bring from the very serious diseases which she highlighted and how safe they are.

A wealth of information is available online through trusted NHS channels which will enable parents to make well-informed decisions about getting their children vaccinated. I encourage the noble Baroness to highlight in her event next week some of the channels which are available and which we will continue to push.

Lord Turnberg (Lab): My Lords, vaccination programmes are the most effective public health measures we can imagine. I have two questions. First, what are the Government doing to ensure that pharmaceutical companies are encouraged to develop new vaccines for diseases? Secondly, I understand that some schools have made it imperative for parents to ensure that their children are vaccinated before they can attend the school. Is this something that we can extend?

Baroness Blackwood of North Oxford: The noble Lord raises an important point. There are global shortages of some vaccines on occasion and, when that happens, discussions with manufacturers are ongoing. There is also ongoing work to develop new vaccines. That is part of the life sciences strategy and sector deal, which the noble Lord may be aware of. Public Health England advises clinicians on how to prioritise available vaccines when these situations occur.

I think that I covered the question of compulsory vaccinations and schools that restrict access to vaccinations in my first Answer. Public Health England and clinicians do not believe that this is the appropriate route, as medical care in the UK is delivered by informed consent. Generally, those who are hesitant about vaccinations respond better to people working closely with them to explain the benefits of vaccines and how safe they are; otherwise, the risk is that children will be withdrawn from schooling entirely, which would be a much worse outcome for the children involved.

Tax: Short-term Lets *Question*

2.45 pm

Asked by Baroness Gardner of Parkes

To ask Her Majesty's Government what steps they will take to ensure that all providers of short-term lets are identified by Her Majesty's Revenue and Customs and are paying an appropriate amount of tax.

Baroness Gardner of Parkes (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper, and I remind the House of my interests as declared in the register.

The Minister of State, Department for International Development (Lord Bates) (Con): My Lords, the Government seek to prevent non-compliance with tax through targeted education and support, and by responding strongly to those who break the rules. HM Revenue and Customs has dedicated teams looking into those who have not voluntarily made themselves

known—known as the hidden economy—including those who let property on either a short-term or a long-term basis.

Baroness Gardner of Parkes: I thank the Minister for that Answer. However, will HMRC be persuaded to introduce an express declaration on all tax returns, with short-term let property addressees and income having to be disclosed in full, and will it provide that information to local councils? That will then help to enforce the 90-day limit. That is important following the “Inside Out” programme on BBC1, which identified how you could go way beyond 90 days with impunity if you followed its advice.

Lord Bates: People already have to make that declaration via tax form SA105. For the latest two years for which numbers are available, the number of people in that position was 2.48 million, and that rose to 2.58 million, reflecting the increase in the number of people earning income from a property, to which my noble friend referred. However, the number of days for such lettings is limited to 90 in London. It is very important that people declare all income, because it is taxable.

Lord Davies of Oldham (Lab): My Lords, Airbnb, a significant company in this field, is apparently being looked at closely by Her Majesty’s Revenue and Customs, but it seems to be engaging in a practice that we associate all too easily with multinationals: transferring profits outside the UK taxation regime. Are the Government tackling this fully, and do we not need international support in getting control over these companies?

Lord Bates: That is a good question. Whether it is Uber or Amazon, we are genuinely wrestling with how to capture the income due here. We have made some changes to taxing digital companies but, with the spread of technology and the sharing or online economy, all Governments will have to do more in this area.

Lord Palmer of Childs Hill (LD): My Lords, the Minister talked about people making these declarations as part of their tax return. However, if people do not complete a self-assessment tax return while still letting property, they do not fill in such a form. That is one weakness in the Minister’s answer. The response to a freedom of information request said that HMRC’s Let Property campaign produced just a fraction of the number of disclosures that HMRC was expecting. The Government estimated that up to 1.5 million landlords had underpaid or failed to pay up to £500 million in tax in 2010. At the same time, people on low incomes cannot find a place to live.

Lord Bates: We have done some work on that. The tax return I referred to is SA105, which is the self-assessment tax form. The HMRC Let Property campaign, to which the noble Lord referred, has encouraged 35,000 more landlords to register and yielded an additional £150 million for the Exchequer. It is not quite the full extent, but it is a step in the right direction.

Lord Campbell-Savours (Lab): We have a long-term rental licensing scheme whereby landlords have to register long-term lets. Why can the Government not devise a scheme for short-term lets on the same basis? That would help HMRC to gather the money due to it.

Lord Bates: It is an interesting idea. There is a scheme in Newham and there was one in Westminster. We are open to looking at whether more needs to be done. We also recognise however, that short-term letting—the Airbnb-type sharing economy—is filling a useful gap in the market. Schemes such as property allowances and Rent a Room exist to help people take advantage of it.

Baroness Gardner of Parkes: Did the Minister see in the *Times* last week—the story was also broadcast—that the Hilton hotel chain claims it has been so undermined by Airbnb that it is killing the tourist industry in New York? That chain is about the biggest there is. Does the Minister agree that it is important to keep a watching eye on this? Local authorities would seem the best people for the job.

Lord Bates: Local authorities have responsibility for enforcement if they feel the schemes are being abused, but it is not our responsibility to defend large international hotel chains. We should look after people who may be able to get valuable extra income into their homes as a result of a legitimate activity.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, will the Minister confirm that anyone who evades, rather than avoids, paying United Kingdom tax would not be permitted to sit as a Member of the House of Lords?

Lord Bates: The noble Lord asks a leading question. I would worry about giving a precise answer, but tax evasion is wrong and it is against the law. All Members, who are responsible for legislating, must be held accountable to a higher standard for upholding the laws that they pass.

Rough Sleeping Question

2.51 pm

Asked by *Lord Roberts of Llandudno*

To ask Her Majesty’s Government whether they will take immediate steps to tackle the issue of rough sleeping.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, the Government are committed to ending rough sleeping by 2027, with the aim of halving it by 2022. We are already taking action. Last year we published a cross-government strategy backed by £100 million of funding. The rough sleepers initiative launched a year

[LORD BOURNE OF ABERYSTWYTH] ago has provided over 1,750 new bed spaces and 500 staff to support rough sleepers since March 2018. It is making an impact: in rough sleepers initiative areas, rough sleeping has decreased by 19% in the last year.

Lord Roberts of Llandudno (LD): I am grateful to the Minister for that reply, but it does not add up to the figures I have. I have been told that in 2010 we had 1,786 rough sleepers, but last year we had 4,677—nearly triple the number in 2010. Even if, as a result of the new strategy, we halve the number sleeping rough, the figure will still be higher than in 2010. Why is this? There are many reasons, but one of course is loss of hostel beds. In Tower Hamlets, for example, 1,400 hostel beds have been lost in the last three years. It does not add up. I suggest that we look at this again. We should also look at the Vagrancy Act 1824, which has seen the arrest of thousands of people sleeping rough, some of whom are imprisoned. That should certainly be revoked, so I ask the Government—

Noble Lords: Oh!

Lord Roberts of Llandudno: I am sorry that I take too long; it is never my fault. We certainly need two things: a massive investment in those organisations that provide the beds and the end of the Vagrancy Act.

Lord Bourne of Aberystwyth: My Lords, the noble Lord referred to the statistics and said that there were 4,677 rough sleepers in 2018, but he did not go on to say that that was a fall since 2017, when there had been 4,751. The trend is in a downwards direction, which the noble Lord omitted to say. Also, he cited Tower Hamlets, which is of course receiving money as a rough sleeping initiative area, which he will be pleased to know. That money will have a continuing impact as we see those figures coming down. He is right that more needs to be done, but we are investing more money. We have just announced another 53 areas that are benefiting from the rapid rehousing pathways money, which is part of the initiative. We are looking at a review of the Vagrancy Act. I can offer the noble Lord comfort on that point.

Baroness Lister of Burtersett (Lab): My Lords, a few months ago the Secretary of State for HCLG acknowledged that there might be a link between rough sleeping and so-called welfare reform. He said that we,

“need to ask ourselves some very hard questions”.

What steps are the Government therefore taking to investigate and act on the links between social security cuts and rough sleeping, identified by both research and organisations on the ground?

Lord Bourne of Aberystwyth: My Lords, I know that the noble Baroness has done much work in this area. Indeed, we have done some work in a related area. I know she will be pleased about the money being invested, particularly regarding women rough sleepers, which is part of this area. There are many

different aspect to this; it is across the board. Obviously in MHCLG we are focusing on money specifically for the housing aspects, but she is right that we need to look at a broader front, and we are doing so.

Lord Flight (Con): My Lords, is the Minister aware of a particular problem in Westminster of rough sleeping in tents? Two things arise from that. First, there is the concern that drug dealing might be going on in the tents. Secondly, although they have powers, the police are reluctant to be too aggressive in addressing the problem.

Lord Bourne of Aberystwyth: My Lords, once again, my noble friend refers to a different aspect of this. He is right that sensitive policing often helps to tackle these issues. I know that police throughout the country are very aware of that. He is also right that there is a complex range of issues, including addiction, which is very much related to rough sleeping. We are intent on trying to deal with that, as we are with other aspects. For example, a lot of people who sleep rough have come from a secure background, sometimes prison and sometimes the Armed Forces. It is a much more complex issue than just the finances, although that is an important part of it.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I refer the House to my registered interest as a vice-president of the Local Government Association. In addition to the figures that the noble Lord gave about individual change from year to year, could he set out why he believes homelessness has more than trebled since 2010?

Lord Bourne of Aberystwyth: My Lords, the noble Lord is right that the figures have gone up relentlessly over a period of time, until this last year, which I think was in response to the money that has been invested and the concentration the Government are putting on this. As I indicated in my earlier response, it is a much more complex issue than just the money. It is related to addiction, mental health and people in a secure environment. We are looking at this on a broad front. As the noble Lord will appreciate, it is a very complex problem, but I am pleased that the money we are spending on the rough sleeping initiative and have invested in the rapid rehousing pathway has succeeded in bringing the figures down by assigning, for example, individuals to look after particular people who are rough sleeping to see what is the particular issue for them, because every person is an individual and every case is different.

The Lord Bishop of Peterborough: My Lords, I thank the Minister for the answers he has given so far and for the Government’s investment. In the city of Peterborough we have seen, as in many other places, a large increase in rough sleeping. The third sector groups, including the churches, have been doing a great deal to support rough sleepers, but one of the problems we are very conscious of is how tight money is for local government. Does he agree that local government financial settlements could be part of the solution, with targeted money to local government specifically to help rough sleepers?

Lord Bourne of Aberystwyth: My Lords, the right reverend Prelate makes a perfectly fair point. He will be conscious of the fact that, by a relatively small amount, the financial settlement for local government this year was an increase in resources for core funding in real terms. Also, I can offer him some very good news in relation to Peterborough, which is again a rough sleeping initiative area, as he is probably aware. The Government are also putting in direct funding related to integration in Peterborough, because it is one of our five integration areas.

Lord Hogan-Howe (CB): My Lords, the noble Lord, Lord Roberts, raised a point about the Vagrancy Act, which is often a point of contention with the police and those who live on the street. Can the Minister tell us when the review that he mentioned will conclude? I have been asked to chair a debate in the next two weeks about the decriminalisation of living on the streets. It is not about all aspects of the vagrancy laws, but specifically about living on the streets, and blaming a person for something that, generally, they have no control over.

A point was just raised about living in tents. I have recently heard that some people released from prison are being given a tent because they cannot get accommodation. I do not expect the Minister to be able to answer that easily, but can someone from the Government see whether that is accurate? It sounds unfair and not a good idea.

Lord Bourne of Aberystwyth: My Lords, to begin with the noble Lord's second point—I know nothing of that. It sounds, on the surface, alarming. If the noble Lord has further information, I would be grateful if he could see me, and then certainly I will investigate.

Regarding the Vagrancy Act, again, I will have to write to the noble Lord. I do not know when the consultation and review are ending. I agree with him that there are aspects which require attention, but once again, it is probably more complex than it looks. However, I will write to him on that issue.

Employment: Automation Question

3 pm

Asked by **Lord Fox**

To ask Her Majesty's Government what assessment they have made of the analysis by the Office for National Statistics, published on 25 March, that nearly 1.5 million jobs may be at risk of being lost to automation and that those most at risk are female workers.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, the work of the ONS demonstrates the significant transitional challenge posed by automation but overlooks the considerable opportunity for the creation of new, highly skilled employment opportunities. The industrial strategy sets out the Government's vision

to make the UK a global centre for AI and data innovation, alongside measures to ensure our people are equipped to capitalise on those opportunities.

Lord Fox (LD): I thank the Minister for his Answer, which looks at the benefits—and there certainly are benefits from automation—but there are also risks, not only in gender terms but also in geographic terms. In addition to the study that came out last week, the Centre for Cities last year issued a study highlighting that those economies in the United Kingdom which are already weakest will be the ones whose jobs are most at risk. Therefore, I repeat the Question with a geographical bent. What in the industrial strategy and what in the Government's plans is focusing specifically on the danger to further diversity and on the danger of putting further issues on to our weakest economies?

Lord Henley: My Lords, I am glad that the noble Lord recognises that there are very positive sides to developments in this field. As he will know, the World Economic Forum estimates that, although there might be some 75 million jobs lost globally as a result of change of this sort, another 133 million could be created. However, the noble Lord is right to point out that there will be disadvantages for people, particularly for those who are low-skilled and particularly—he mentioned the gender point—for women. Therefore, as the industrial strategy makes clear, it is very important that we look to retraining. I refer the noble Lord to large parts of the industrial strategy that point in the direction of retraining and upskilling our workforce as much as possible.

Lord Hamilton of Epsom (Con): My Lords, can my noble friend tell us what happened to all the women who were employed as secretaries and personal assistants when the introduction of the word processor made them all redundant?

Lord Henley: My Lords, my noble friend is quite right: they found new jobs, better jobs, more highly skilled jobs and, probably, more interesting jobs.

Lord Watts (Lab): My Lords, the Government have quite rightly tried to deal with the issue of skills training in the UK, but it is quite clear that the FE colleges have been starved of resources for the last few years. What are the Government going to do to put that money back into the FE sector so that it can provide the skills that we need?

Lord Henley: My Lords, I could go on at length about what the Government are doing in terms of funding for new training, starting with the £506 million we have offered for maths, digital and technical education including, and including the £100 million we have committed to the first stage of developing the national retraining schemes to support people vulnerable to technological change. With the seven minutes I have, I will leave it there. There is a great deal going on. That is what the industrial strategy is all about.

Viscount Ridley (Con): My Lords, predictions of worklessness as a result of innovation have been coming round monotonously decade after decade—since at least the days of Ned Ludd—and have been proved wrong again and again. In fact, it is evident that innovation produces more and better jobs over the long run. Is it possible that the current alarm is because, for the first time, artificial intelligence is affecting the jobs of doctors, lawyers and people like us? Does my noble friend agree that the way to deal with this problem is to encourage people to retrain as easily as possible to take advantage of new opportunities in the new economy?

Lord Henley: My noble friend is an optimist, as the House will be aware. He is a rational optimist—if I may give a little plug for his book—but he is quite right to mention that there have always been worries that, with each new wave of automation, jobs will be lost. As my noble friend has said, what has happened is that, with each new wave of automation, we have seen jobs go but it is the boring, repetitive jobs that have disappeared to be replaced by machines. It might be that, as he points out, some of the boring, repetitive jobs that solicitors do, such as conveyancing, can be more easily done by machine.

Baroness Kramer (LD): My Lords, only 19% of the digital technology workforce is female, as are only 15% of computing graduates and only 17% of fintech founders. In an age where automation will become dominant, is it not time that the Government abandoned relying on these sorts of piecemeal, scattered or small-scale initiatives to increase diversity and launched a holistic, well-resourced and high-profile strategy, along the lines of the anti-smoking campaign, to challenge everything from unconscious bias to the lack of training and role models, and to de-risk change generally?

Lord Henley: My Lords, I do not quite take the almost semi-Stalinist approach that the noble Baroness is putting forward. What I am saying is that society will change as a result of these things but the Government must also recognise that it is going to change. That is what the industrial strategy is all about, and we will go along with that.

Lord Stevenson of Balmacara (Lab): My Lords, it is all very well to be optimistic, and even to be rationally optimistic, but however boring some jobs may be to those who have better and more highly paid ones, those jobs also pay wages which keep people out of poverty and ensure that families are supported. These are serious issues; we are talking about 1.5 million people losing their jobs and likely to be affected. I hope that the Government have more than some forward thinking about where they might find educational support for these people. In a practical sense, however, is it not possible that this sort of challenge—a big challenge for society as a whole—should be referred to those experts who are able to give us advice on where to go? Will the Minister suggest that this be a central issue in the work of the Centre for Data Ethics and Innovation, which has just been established?

Lord Henley: My Lords, the point I was making is that it is not just government that will lead on changes here but the employers themselves. If we take some of those boring jobs, such as checking out at a supermarket, many of those are being replaced by the self-checkout mechanism. That allows the employers, as is happening in supermarkets, warehousing and elsewhere, to shift employees to more interesting jobs.

Arrangement of Business

Announcement

3.08 pm

Lord Taylor of Holbeach (Con): My Lords, I would like to make a statement to update the House regarding next week and the Easter Recess. Following on from the vote on Friday in the House of Commons we know that the end of our current extension of the Article 50 period, and therefore the default day on which we leave the EU, is Friday 12 April. Noble Lords will be aware that there is another European Council on Wednesday 10 April, when any further extension would need to be discussed and agreed. As this House did so ably last week, we may need again to react swiftly to consider any necessary legislation to ensure continuing legal certainty.

I can confirm that it is our intention to sit next week to ensure that this House is able to respond to any emerging developments. I will come back later this week with more precise details, following conversations with the usual channels, but I thought it right to give the House the earliest possible notice. I am grateful to all noble Lords and, of course, to the hard-working staff of this House for their understanding.

Lord McAvoy (Lab): My Lords, I thank the Government Chief Whip for this statement and confirm that, in the usual channels, Her Majesty's loyal Opposition have indicated they will co-operate in any further discussions or legislation required, with the proviso that it is genuine business arising from the constitutional debate on Brexit. I also ask him to maintain a strict review of what is required so that, as he has mentioned, any potential disruption to Members and, more importantly, staff is kept to a minimum.

Lord Taylor of Holbeach: I understand the point that the noble Lord is making. He and I sit in the usual channels, together with the noble Lord, Lord Stoneham, and the noble and learned Lord, Lord Hope, the Convenor of the Cross Benches. I promise to keep regularly in touch with all. I suspect we will be talking about this every day until this Thursday and then into next week. For the time being, I am grateful for the support that the noble Lord, Lord McAvoy, has given.

Brexit: The Customs Challenge (European Union Committee Report)

Motion to Take Note

3.12 pm

Moved by Baroness Verma

That this House takes note of the Report from the European Union Committee *Brexit: the customs challenge (20th Report, HL Paper 187)*.

Baroness Verma (Con): My Lords, I am grateful for the opportunity to debate the EU Committee's report, *Brexit: The Customs Challenge*, this afternoon. As chair of the EU External Affairs Sub-Committee, I extend my thanks to the members of the committee for their important contribution to this report, to Members speaking today, and to everyone who provided written and oral evidence to the committee. I also thank the committee's secretariat, as it was constituted at the time—Jennifer Martin-Kohlmorgen, Julia Ewert and Lauren Harvey—for its assistance with the inquiry and preparation of this report.

Last year, the EU External Affairs Sub-Committee investigated the customs challenges in the event of no deal and considered the Government's Chequers proposal for a facilitated customs arrangement. I strongly regret that—even though the committee published its report in September 2018, and despite the rule that commits the Government to respond within two months of a report's publication—more than six months on the committee is still awaiting a response. Not only is the response outstanding, but the Government have not proposed an alternative date for its submission. I urge the Minister, who I know will take this seriously, to provide the official government response as soon as possible and ask him to confirm when he expects to provide it to the committee.

The first half of the report covered what trade with the EU under WTO rules, commonly referred to as “no deal”, would look like. Despite the various votes in the Commons on avoiding no deal, a no-deal Brexit will continue to be a risk unless and until a withdrawal agreement is passed. I also remind the House that, even if there is a transition period, if the two sides fail to agree on their future relationship, there could still be a delayed no-deal Brexit.

Our report warned that no deal would cause significant disruption and be costly. Tariffs would apply and traders would be required to make customs declarations, with customs and regulatory checks also to be carried out. Overall, HMRC has estimated that if customs declarations were introduced between the UK and the EU, there would be a cost to businesses running into billions each year. The completion of customs declarations would raise the cost of UK-EU trade by £13 billion a year. Half of that—£6.5 billion—would be shouldered by UK businesses. There would also be additional tariff costs. HMRC originally estimated an additional £5 billion per year in such costs, though the UK Government's intention to reduce 87% of tariffs by value in the event of no deal should lower the amount somewhat. Having said this, UK businesses will still face tariffs on most exports to the EU by value. Although EU tariffs are generally low, some sectors, such as the agricultural and automotive sectors, will be disproportionately affected.

I also emphasise the report's finding that no technology currently exists, or will be available in the short term, which would dispense with the need for border checks. In all cases, some form of physical infrastructure will be required. This is of particular relevance to the Northern Ireland/Ireland border, where trade under WTO rules risks reintroducing a hard border. We also found that the introduction of new customs checks at

the border under no deal would cause congestion and delays at roll-on roll-off ports. The Port of Dover's ability to handle its trade volume, for example, depends on vehicles flowing through the port without stopping for customs controls. Even if the UK adopts a light-touch approach to these checks, roll-on roll-off ports such as Dover operate in a closed loop with their French counterparts in Calais or Dunkirk. Congestion on the French side will inevitably have a knock-on effect on the UK. This poses a significant challenge to just-in-time production and agri-food businesses, and could lead to the disruption of highly integrated supply chains. In turn, this could make UK businesses that are part of such supply chains less attractive.

Mitigation options are limited, but it is critical that the UK Government have contingency arrangements in place to manage the negative impacts of no deal. While no specific plans were in place at the time of publication of the report, I welcome the fact that the UK Government have now set out their contingency arrangements and provided guidance to businesses. Last month it was announced that, in the event of no deal, the UK would set temporary tariff rates that would be in place for up to 12 months from exit date, leading to the elimination of tariffs in 87% of imports by value, which compares with 80% before Brexit. Consequently, in practice many importers will be exempt from paying customs duty, yet this approach is not without risks. While there are some protections for the car industry and the agricultural sector, this unilateral reduction of tariffs, which under WTO rules applies to EU and non-EU goods, could affect the competitiveness of UK production. Will my noble friend confirm when the Government intend to publish an impact assessment of their tariff reduction plan?

The elimination of 87% of tariffs will go hand in hand with simplified customs procedures for traders importing goods from the EU into the UK. These simplified transitional procedures will be in place at least until July 2020. However, they will not eliminate the need for customs declarations altogether, but simply reduce the amount of information that importers will have to provide during a defined period. In summary, the costs, the disruption to the flow of goods and, potentially, the imposition of customs checks on the Northern Ireland/Ireland border in the case of no deal all underline the need for the Government to reach an agreement with the EU on the terms of our withdrawal and the future economic relationship.

As regards the future economic relationship, a facilitated customs arrangement was put forward by the UK Government in July last year. However, the initial reaction from the EU has been sceptical at best, and the parliamentary deadlock over the terms of the UK's withdrawal has all but sidelined it. Since the proposal, the political declaration setting out the framework for the future relationship between the EU and the UK has been published, even though it has not yet been agreed. The section on customs calls for “ambitious customs arrangements” and is worded in a way that could be used to support a wide variety of negotiation outcomes. Can my noble friend say whether the facilitated customs arrangement is still the Government's preferred option? What further thinking, if any, has taken place?

[BARONESS VERMA]

Other members of the committee will raise a number of further questions, so I will leave it at that. However, many of the witnesses who gave evidence to us were very concerned that this uncertainty was having a large impact, not just on businesses but on supply chains.

3.20 pm

Lord Triesman (Lab): My Lords, it was a pleasure to serve on the sub-committee chaired so effectively by the noble Baroness, Lady Verma, whom I thank.

After all these months of delay, waiting for the Government to respond, we should consider where we are overall. The Government are hardly prepared for the customs arrangements that would be needed for any version of hard Brexit, and the businesses and individuals who will have to operate in this environment have few clues as to what to expect. People in haulage, ports and administration have a sense of application to do their best, but nobody has been able to tell them which best they should do.

All the time, the clocks are ticking. Complex supply chains face multiple difficulties without any real prospect of resolution. With the small cavalcade of lorries in Kent, the appointment of a ferry company with zero experience, zero ships and zero port agreements, the emergency plans for food and medical shortages and the declaration of the possible need to contain civil unrest with military deployments, it is hardly surprising that nobody is oozing confidence. The sunny uplands are a fantasy. We Brits are a pragmatic and phlegmatic lot, but this has felt to me like launching Eddie the Eagle down a precipitous slope to jump against seasoned athletes, our best aspirations amounting simply to hoping he will survive.

In the area of customs, I still do not know what our national vision is. How does that vision, if there is one, link trade and customs provisions with economic performance, and thus with other vital interests such as security, defence, foreign policy, justice, home affairs and other key sectors? Customs and trade are essential components of a successful economy, and a successful economy holds the key to everything else.

In all markets between nations, including the WTO's often dysfunctional system, we generally acknowledge that there must be rules so that everybody knows the standards within which they will trade. Even outside the EU's customs union, checks and intrusive procedures are still inevitable. How else will we deal with, for example, the enduring compliance with preferential rules of origin? If we are to enjoy the frictionless benefits of being inside, do we really think it right to do so without accepting that there are both rights and responsibilities?

Customs arrangements underpin many of the things the United Kingdom values very highly: mitigating risks to public health, reducing environmental risk, food safety, the operation of financial regulation, the social market and decent workers' rights. None of these is a second-order issue for the quality of our social fabric.

The sub-committee pulled me back to thinking about our national strategy. The United Kingdom may no longer be a great power, but we can be a

very good second-tier power and project ourselves internationally with effect. To do so we need to demonstrate our ethical trustworthiness, and this must be underpinned by serious intellectual endeavour. We need credible forces, as the noble and gallant Lord, Lord Stirrup, and my noble friend Lord West often remind your Lordships' House, and the foundation for it all is a sustainable economic capacity to deliver on these other interlocking attributes. No nation on earth can do these things on its own—not one.

Let the House be candid about the economic world we inhabit today. Customs problems are not the only problems on the economic horizon, and we had better understand the cumulative effect of all the problems we may well face. China's growth is now far weaker than it was before 2007, and in essence has been driven only by the injection of a \$586 billion stimulus in 2009. That is now impacting on much of the world's economic prospects. The recovery of the United States is evidently unstable. The poor are becoming poorer. Average wages last year retreated to the purchasing power of 1978, and US retreats always have their effects in Europe and Japan. Europe is sluggish at best. Germany had zero growth in Q4 last year and barely sidestepped recession. Italy has negative growth, and the UK's growth was the weakest since 2012. There is a correction as the post-2007 recovery regimes are changed and monetary tightening takes effect. The yield curve has inverted, showing how anxious investors have become—always a warning of recession. The eurozone crisis deepens.

Private debt once again threatens the stability of many major economies. In the United States, private debt is higher than before the housing and mortgage crisis of 2007, and is now fuelled by borrowing to speculate. Global debt is three times global GDP. It impacts on corporations and individuals, and in China on just about everything and everybody. Growth is squeezed out by unsustainable and unpayable debt. Investment in wages and productivity continues to be in grim decline. In short, the predictive indices that have preceded past financial collapses are as visible today as the queues once were outside Northern Rock.

This is the economic climate into which we want to add the uncertainties of trading without proper customs arrangements, reintroducing significant friction between us and our nearest huge markets, and our political, trading and security partners. It is hard to believe that anyone would take such a course willingly. Of course, there may be no certain and smooth economic path open to us, but following the worst options could well be the straw which breaks the camel's back.

Our country has been served very poorly, both by its Government and by the Official Opposition, but it would surely prefer to meet its global and domestic strategic objectives in leadership and values, intellectual capability, security and defence through a viable military—to meet its obligations in the world as it has always tried to do. While customs may appear to be just a piece of this jigsaw, it is about economic capability and therefore about the interplay of the overall strategic fabric. We can do without cutting unmendable holes in that fabric.

3.28 pm

Baroness Suttie (LD): My Lords, I too thank the noble Baroness, Lady Verma, for introducing this extremely useful and comprehensive report this afternoon. I also thank the members of the excellent committee secretariat for all their hard work and commitment, as well as for their dogged determination to seek out the facts in this constantly rather opaque process.

When I was rereading the report yesterday afternoon, ahead of today's debate, as well as reading my own notes from our committee's extremely informative visit to the port of Dover last July, it was difficult not to feel both angry and depressed. The lack of progress since the report was published last September is shameful. Clearly, the debate taking place at the other end of the building this afternoon, and the second set of indicative votes, will have a direct impact on these issues, not least if the proposal on the customs union passes.

The fact that more than 6 million people have now signed a petition calling for Article 50 to be revoked shows just how concerned people are by Brexit, and in particular by the prospect of a no-deal Brexit. As the Brexit debate has increasingly taken on the quality of a quasi-religious fundamentalist debate rather than an analysis of the facts, it is not surprising that people—most especially people working in small and medium-sized businesses—are increasingly in a state of despair.

I shall focus my remaining remarks this afternoon on the impact on businesses and the preparations for a no-deal Brexit. An estimated 145,000 businesses in the UK trade only with the EU, and an estimated extra 100,000 more may be in the same situation. These are businesses which, over past decades, and certainly since the creation of the single market in 1992, have been accustomed to trading with our EU partners without barriers or friction. Trading with Hamburg or Lyon has been little different for those companies from selling their products from Newcastle to London.

A no-deal Brexit would involve those companies acquiring expertise in customs procedures that they previously never needed. It would involve them facing urgent training, delays and costs. Indeed, as the report makes clear, HMRC estimates that the cost to UK businesses of a no-deal Brexit would be £18 billion per year. Given the reports over the weekend that a number of Cabinet members are now actively calling for a no-deal Brexit, what measures are now being put in place ahead of the new date of 12 April to help small and medium-sized businesses prepare for this situation?

As the report sets out very clearly, roll-on roll-off ports such as Dover will be particularly strongly impacted by a no-deal Brexit. The evidence we heard from the experts on the ground at the port of Dover was extremely powerful. Currently, in the eastern dock in Dover, lorries coming in to the UK from the EU take an average of two minutes to process. In the western dock, where non-EU lorries are processed, the average time for a lorry to be processed is one hour and 15 minutes. At the moment, only 1% of the traffic coming through Dover is non-EU. The port currently handles up to 10,000 trucks per day.

It is a slick operation at the port of Dover, which has developed over many decades, and it currently works as a well-oiled machine. There are 60 crossings

per day, and, as the noble Baroness, Lady Verma, said, any delay at either Dover or Calais has a direct impact on the other port. A no-deal departure without any transitional arrangements in place could, it is estimated, result in up to 17 to 20-mile queues of traffic in Kent. The knock-on impact to just-in-time deliveries, food, pharmaceuticals and other industries is of genuine concern to both businesses and ordinary people.

I declare an interest as a resident of the very beautiful town of Broadstairs on the Isle of Thanet in Kent for the past five years. Broadstairs is next to Ramsgate, where the now infamous Seaborne Freight—the ferry company with no ferries—is based. In recent years, Ramsgate has lost its channel ferry crossing to Ostend and its international airport at Manston. Both of those losses have had a very negative impact on the local economy. The Isle of Thanet voted strongly to leave the EU, and it is one of the ironies that, like many other regions, such the north-east of England, it is those areas that voted strongly to leave the EU that are now most likely to be negatively impacted by a no-deal Brexit.

One of the relatively few visible signs of contingency planning for a no-deal Brexit in Kent has been Operation Brock. The results so far have been mixed. The trial run carried out at the abandoned Manston international airport in Ramsgate in January this year saw only 89 of the planned 150 lorries turning up. Given that Dover deals with up to 10,000 lorries a day, a rehearsal with only 89 surely cannot be seen as anything other than tokenistic. The rollout last week of the new contraflow system under Operation Brock on the M20 has also caused concern locally, not least regarding access for emergency vehicles. Can the Minister—who I fully appreciate is one of the good guys and in no way responsible for this mess—update us on contingency planning in the light of these recent events?

The solution to this is in the hands of the other end of the building as we speak. Remaining in the European Union, or at least remaining in the customs union and single market, would solve this customs challenge.

Lord Lilley (Con): I congratulate the noble Baroness and the other committee members on the report. She mentioned the current delays at Dover. I noted in the report that they relate to lorries from Turkey, which is in a customs union. Last week, I met a number of customs agents who told me that the paperwork involved in trade with Turkey, with its customs union, is worse than that for trade with America or China. Do the noble Baroness and her party think that a customs union would solve these problems?

Baroness Suttie: I do indeed—not least because of the figure I just gave: 1% of all traffic currently going through the port of Dover comes from non-EU member states. The other 99% goes through in a slick operation. With a no-deal Brexit, that will change overnight—not necessarily because of the Dover side but because of the Calais side, which will have to introduce restrictions.

To conclude, as the report makes clear, the consequences of a no-deal Brexit would be not merely “a bit bumpy”, as some Brexiters have claimed. They would have a real and damaging impact on businesses and the lives of ordinary people for generations to come.

3.36 pm

Lord Horam (Con): My Lords, I join other noble Lords in congratulating my noble friend Lady Verma on her excellent chairmanship of our committee. I thank my colleagues and our ever-diligent staff for their contributions to our long and sometimes exhausting—but sometimes rather exhilarating—meetings.

This is our third report on customs and trade. It is right that we concentrated so much attention on this, because whether we remain in a customs union or not, the issue is central to the binary choice that the Government are, I am afraid, not making at the moment, and which we will have at some stage to make. The noble Baroness, Lady Suttie, has just made the point that down the Corridor a very important debate on indicative votes is taking place. The most popular Motion so far, as we saw last week, was moved by my right honourable friend Ken Clarke in favour of remaining in the customs union.

On the point just made in an intervention, I make a distinction between remaining in the customs union and, like Turkey, having a customs union with the customs union. That is a different and separate point. As I understand it, Ken Clarke was arguing for us remaining in the existing customs union, which is the only way to maintain the entirely frictionless trade we have enjoyed with our colleagues in European Union countries for 45 years—and the only way to avoid a hard border in Ireland and keep the United Kingdom together. I fear that if there were a hard border in Ireland, the problem of Scottish independence would loom its hoary head. Therefore, this is a way of keeping the United Kingdom together.

We should not forget the value of inward investment into this country. As an economist, I am extremely aware of this. It exists simply because we are part of a huge market of 500 million people. It is the jewel in the United Kingdom's crown. We have far more inward investment than Germany, and twice as much as both France and Italy. That would undoubtedly be threatened—indeed, is already being threatened—if we removed ourselves from these arrangements. Politically, this may well be the ultimate compromise we have to make. I voted remain; if the remainers can accept that we will leave the European Union, as we are targeted to do, perhaps the Brexiteers could accept a soft, sensible Brexit that we could support. The 52% to 48% split in public opinion suggests that that is one possible way forward, and I note that the Chief Whip is going to be revealed on television this evening as saying that it is something which the Prime Minister should have thought about when the results of the last general election became apparent.

However, it has to be acknowledged, and I do so now, that important arguments can be made against remaining in the customs union. We would not be able to have our own independent trade policy, and of course we would be a rule taker—the “vassal state”, as it is called: the “servile state” is another phrase that is used—but I would argue that these are overrated as disadvantages. The idea of no independent trade policy is too strong a point to make. In fact, having an independent trade policy from where we are now would be a disadvantage. That is because, if you have

an independent trade policy, you are selling entry to a market of 65 million people, whereas at the moment we are selling entry to a market of 500 million people. That is a hugely easier sale than if we had our own independent trade deal. So that is not really an argument that can be sustained.

The other argument is about the vassal state and how we would have to accept regulations decided by the European Union. That is to misunderstand the way in which regulations are made inside the European Union. They are made in expert committees. On those expert committees sit not only Members of the European Union but Members of European countries that have an interest outside the European Union. Norway has been represented on 200 expert committees, even though it is not in the customs union. Britain, given its size, could expect to be on expert committees of that kind, making the rules as we go along—even though ultimately we would not have any say in the parliamentary committees.

However, as the House will fully appreciate, it is very rare for a parliamentary committee to get involved in the detail of what is put before it by experts. Such committees tend to accept the proposals, with only the occasional disagreement. The fact is that, as long as we were in the customs union, we would have a strong position inside the system of making regulations in Europe even if we were not actually in the European Union. Fundamentally, when the question of sovereignty and the right to rule ourselves is discussed, you have to make a trade-off in business between access and sovereignty. If you want access, you have to give up a bit of sovereignty. If you have no access, you can keep all your sovereignty but you will have no access. That is the trade-off you have to make, and we should recognise the reality of that.

A bigger objection to remaining inside the customs union is that others in the European Union may not agree to give us such a deal. They may argue that it is too good a deal for Britain, because once again we would be getting many of the advantages of being inside the European Union without actually being a member. That is something which would have to be explored in the negotiations which I hope would take place. The EU could say, for example, that the UK has to remain inside the single market, and it may want to retain control of our fisheries and agriculture. Once we go down that path, I agree that the issue of “Brexit in name only” is raised. At that point we would have to consider whether we wanted a clean break and a free trade area. Another factor is that the Cabinet is split on this and there is no sign of a resolution.

Finally, I bring good news to noble Lords. Agreement was reached before lunchtime today on the “Politics Live” programme on BBC television between a hard Brexiteer, a remainder who is willing to be a Brexiteer, and a remainder. The three people involved were Steve Baker—there is no harder Brexiteer—Margot James, the industry spokesman, and Jonathan Powell who was Tony Blair's chief of staff when he was Prime Minister. They agreed—that is the good news. The bad news is that they agreed that there is bound to be a long extension—so I am afraid that, whether we like it or not, we are in for further debates on this subject.

3.44 pm

Lord Dykes (CB): My Lords, in this House we are fortunate to have had many reports about Brexit and all its complications from the various sub-committees and the main European Union Committee. I am sure we are very grateful to all Members who have worked hard on those reports. They are of immense detail and complexity, but also immense conviction and persuasion. That does not gainsay my feeling at the end of reading them all carefully, which I try to do if I can: one comes to the inevitable conclusion that there is no substitute for actually staying in the European Union.

I very much congratulate the noble Baroness, Lady Verma, on leading this discussion of the report and the other three members of the committee who have spoken so far. I thought the concluding remarks of the noble Baroness, Lady Suttie, on the numbers were very relevant and need looking at again. I also thank the noble Lord, Lord Horam, for his words highlighting the dangers and difficulties of producing the customs union concept in the way that my great friend Kenneth Clarke was trying to explain properly on the radio this morning. He did a very good job but there are many minuses as well as many pluses.

On the report itself, I agree very strongly with all the remarks made by the three ensuing speakers, with their worries and anxieties about what this all means. I hope the Minister will kindly look at the report's conclusions, on page 48. I am particularly concerned about paragraph 191, which states:

“The UK Government’s estimate that 96% of UK goods trade would be able to pay the correct or no tariff up front and not go through the repayment mechanism has been challenged. We call on the Government to clarify the methodology it used to arrive at the 96% figure”.

Then, on a totally different subject, paragraph 193 states:

“We welcome the Government’s stated intention to uphold current UK food standards and not lower them in free trade agreements with third countries”.

All that is a danger if we go ahead with this matter. I beg to differ, and conclude with a few remarks about the broader scene now facing us in what is yet another—although not the final—emergency, drastic week for this House, and particularly for the House of Commons.

Lord Wigley (PC): Will the Minister address the difficulties arising from the lack of infrastructure for customs dealings between Ireland and the UK using the UK as a land bridge, particularly at Holyhead? I do not think it was visited by the committee; nor did witnesses from Holyhead come before the committee.

Lord Dykes: This is not the first time I have agreed with the noble Lord, Lord Wigley, on these matters, and I do so strongly—partly in the nervous realisation that I know much less about Holyhead than he does. The noble Lord has referred to this in a number of speeches; I agree with the broad outline of his comments and thank him for intervening today.

The background to what is happening is a tragedy and a matter of great sadness for this country. No Prime Minister with any wisdom and good sense would have set out to totally ignore the wishes of

almost 50% of those who voted in what was only an advisory referendum, even though David Cameron said he would abide by the decision. Even after the futile election of 8 June, after she had lost her mandate and was able to carry on only artificially via a dubious deal with and huge bribe to the DUP, the Prime Minister defiantly carried on. She chose not only to ignore the wafer-thin majority in the first referendum but to deal just with the ERG—not even with the whole of her own Conservative Party. The ERG came first in all her dealings and all her discussions. This again reveals the huge weaknesses in our now totally dilapidated political and parliamentary system, which can be removed only with drastic and radical reforms, which should not be done by politicians—they would never agree—but by sensible outside experts and professorial characters of distinction, men and women. We have to get rid of this bandit politics disease in Britain and come back to reassuring the public.

In that context, I conclude by saying something in contrast to the miseries we are all experiencing with this Brexit process—Brexit is on the verge of being registered with the NHS as an official disease, and anti-Brexit is part of it. However, public opinion has changed, and it was, at last, reassuring to go on the march on 23 March with over 1 million like-minded people from all over the country, including many former leave voters who now grasp the looming disaster of Brexit. The 6 million-plus signatories to the petition underline the huge change in public opinion on this matter. None of these reports is rendered less important and valuable because of this, but that is the reality.

This is especially true for our precious and increasingly internationally minded younger generation, and often, at the other end of the age scale, for the many thousands of UK citizens working and living elsewhere in the European Union—perhaps a more relevant union for us than that other union Mrs May refers to. The European Union is precious to the modern populations of its modern member states.

Finally, I want to quote Margaret Beckett, speaking in the Commons debate on 27 March. She said,

“I invite colleagues who ... resist a confirmatory vote to look starkly at ... what they are saying. They are willing ... to terminate our membership of the European Union even if it may now be against the wishes of the majority of the British people”.—[*Official Report*, Commons, 27/3/19; col. 391.]

3.50 pm

Baroness Randerson (LD): My Lords, I did not have the privilege of being a member of the committee responsible for this excellent report, but it is a very interesting read. It is, unfortunately, a historical document, and it would have been a lot more appropriate to debate it some months ago. It is striking that, in the six months since it was published, although we have learned a lot more about the problems associated with customs arrangements, there have not been any solutions. Therefore, what the committee advises is as relevant now as it was then.

The report draws attention to the fact that, as my noble friend said, there are 145,000 VAT-registered businesses in the UK, and a further 100,000 under the VAT threshold, that currently trade abroad but exclusively

[BARONESS RANDERSON]

with the EU. That means that they have not had to deal with the paperwork and bureaucracy associated with international trade. In addition, the report draws attention to the huge cost to business of no deal, estimated by HMRC at £18 billion per year. It is a pity that figure was not on the side of a bus.

The report also emphasises that all the talk of using technology to overcome border issues, particularly in Northern Ireland, is basically so much hot air—those are my words, not the report's. There is no technological solution. Essentially, there are bound to be hold ups at the border, and, however brief they are, they will have a huge impact. Since the publication of this report, we know quite a lot more about the details of that impact.

I will start with Dover, which has already been mentioned, the largest roll-on roll-off port in the UK. Noble Lords will be familiar with the expectation that there will be long queues. The report acknowledges that there is no space for additional checks, examination sheds, checkpoints or additional barriers, and no space for lorries to park as they wait. Of the UK's total trade in goods, 17% goes through Dover, and it depends on going through without stopping. Indeed, both Dover and Eurotunnel market themselves as a continuous, non-stop motorway to Europe. Some weeks ago, I met the Road Haulage Association. Its representative told me that an Amazon lorry can have 8,000 individual shipments on it, and would normally have an individual customs declaration for each of those 8,000 shipments. Each customs declaration has 36 different fields that must be completed. The RHA estimates that it would take 170 staff one day's work to process that lorry. The implications on a grand scale are serious.

The Government have sought to combat these problems in two ways. One is by saying, essentially, that we will ignore the need for border checks and everything will continue as it always has. There are a couple of problems with that. First, why are we leaving if we are going to continue exactly as we have done? Secondly, as a representative of the freight industry said to me, the moment we do not apply the rules we lose control of the border. That will lead to various kinds of smuggling—of people, drugs, armaments and so on, as well as ordinary, everyday goods. It will also lead to the introduction of substandard goods—a serious issue for those trying to produce good-quality goods in the UK.

The Government have also attempted emergency preparations—the M20 being turned into a giant lorry park and the use of Manston Airport for emergency long-term parking—and we are all familiar with the fact that they have not gone well. Then there is the Seaborne ferry company with no ferries, which seemed to think it was providing the Department for Transport with pizzas rather than ferries.

The serious point is that the subsidy for ferries led to Eurotunnel seeking compensation for its products and services being overtaken by the subsidy for ferry services. Last week we discovered that the contract the Government signed with the ferry operators started on 29 March, even though we have not left the EU. I am told that tickets for these additional ferries are now being sold on the open market. It might be a good

time to catch a ferry in the next week or so but, if you meet a tall, bald man called Chris trying to flog a few tickets in the ferry terminal, it would not be good value for money.

It has already cost £89 million for the ferries; £6.5 million for the extra weeks of the ferry subsidy that the Government have to cover until we leave the EU; £800,000 for the financial advice; £33 million in compensation to Eurostar; and £30 million for the design, build and operation of Operation Brock on the M20. By my calculations, that is almost £160 million, and counting, as the cost of Brexit to the DfT alone.

I have dealt with the costs to us—the taxpayer—but most importantly we should remember the costs to the businesses of Britain. The SMMT referred to the production of a single fuel injector. To make it takes 35 components from 15 countries and it requires 39 border crossings between the UK and the EU. Now we can see why the automotive industry is thinking of leaving this country fast and why the producers in the supply chain are extremely concerned about their future.

3.59 pm

Lord Bilimoria (CB): My Lords, this report once again illustrates that the best deal for this country by far is the deal that we have at the moment as a member of the European Union. When the noble Baroness, Lady Verma, introduced her committee's report *Brexit: the Customs Challenge*, which was published on 11 September 2018, I was shocked that more than six months later the Government have not provided an official response. Will the Minister, who I respect greatly, explain why that is the case?

On 17 January 2017, the Prime Minister famously put down her red lines which involve leaving the European Union, the single market and the customs union. Then she progressed towards a facilitated customs arrangement. Throughout this Brexit process the Government's approach has been to continue to try to have our cake and eat it. The 27 countries of Europe have given a clear mandate to one individual, Michel Barnier, and they have stuck to their guns. They have been intransigent but fair in that they have not moved on their position that we cannot leave and expect to have the same terms as if we are a member.

HMRC has said that the estimated annual cost to UK traders of no deal is £18 billion, which is more than twice what we contribute annually for membership of the EU and which I would pay for the peace we get thanks to being a member of the European Union. If we go for WTO rules, there is no question that it will be disruptive and costly, as the noble Baroness, Lady Verma, said earlier. Tariffs will apply and although they are low we will see them go up in many areas. We have heard that 145,000 VAT-registered UK businesses and potentially a further 100,000 businesses under the VAT threshold currently trade exclusively with the EU. That is a huge number of businesses, and we are reliant on roll-on roll-off ports. The introduction of any new customs checks under no deal will be highly disruptive. There is no question about it. We have heard in this debate that many companies rely on just-in-time. Many manufacturers send products backwards and forwards to and from the EU. It is

quite frankly—what word should I use?—laughable that when Dominic Raab was Secretary of State for Brexit, he said that he did not realise how important the Calais-Dover corridor is for frictionless trade. That is astonishing, to put it mildly.

Then we have the implications for the UK-Ireland relationship. The UK's role as a bridge between Ireland and the EU has already been mentioned in the debate. It is 10 hours door to door for a lorry leaving Dublin for Calais using the land bridge. If it has to go all the way round, it will be 40 hours. At the moment there is no technology that will sort out the issues and keep the Irish border frictionless and open. Will the Minister confirm that I am not mistaken and that HMRC has admitted that it does not have the technological ability to cope with a no-deal Brexit, even with a two-year implementation period?

Here is the reality: the EU is the UK's largest trading partner for goods. Last year exports to the EU accounted for 49% of the total value of UK goods, and imports from the EU were worth 55% of the value of all UK goods imports. That is 50% of our trade, whichever way you look at it. The Government are openly admitting that they have limited options to mitigate any no-deal scenario, yet more than 170 MPs signed a letter saying that we must go for a no-deal situation—that we must commit suicide as a country. That is what they are saying.

The ports of Dover and Calais operate on a closed-loop system. The Government spoke about temporary tariffs on 13 March, but the reality is that tariffs will still apply to 13% of goods and some of them will be really high for products such as beef, lamb, pork and poultry. Half the UK's food is imported: 30% comes from the EU, and another 11% comes from non-EU countries under terms of trade negotiated by the EU. Brexit is likely to result in an average tariff on food imports of 22%. Does the Minister agree with that? All the trade agreements that we have with more than 56 countries cannot easily be rolled over. As we have seen, the Government will hardly be ready to roll over six of them.

The political declaration is a wish list—it is wonderful. It says:

“The Parties envisage having a trading relationship ... The economic partnership should ensure no tariffs ... The Parties will put in place ambitious customs arrangements”.

Nothing is definite. It is not a legal document; it is a wish list full of platitudes. Professor Catherine Barnard of Cambridge University and Professor Anand Menon have said:

“WTO terms provide a basic floor for world trade ... However, the inadequacies of these arrangements provide incentives for countries to go further and seek preferential access to tackle issues inadequately covered through WTO rules”.

That is why we have free trade agreements, and it is why we are part of the European Union. They continue:

“The WTO option alone would have a significantly disruptive impact on trade between the UK and the EU, and even on some UK trade with other parts of the world. Falling back on WTO terms would be, to say the least, suboptimal politically, economically and socially”.

Pre-Brexit, we know that—we have low tariffs. However, let us look at the average EU tariffs on agricultural products. Some of them are very high, so our agriculture sector is protected by our being a member of the EU.

The EU explains that its customs union has very clear principles: no customs duties on internal borders between EU member states; common customs duties on imports from outside the EU; common rules of origin for products from outside the EU; and a common definition of customs value. UK businesses are therefore saying, “Please, please, let us remain in the customs union”. The EU says that it is ready for no deal but, quite frankly, the Irish Government are not. Angela Merkel is going to Dublin. Whatever happens with Brexit, the EU wants to make sure that the Irish border is properly protected.

To conclude, Simon Jenkins has said today that it is time for common sense on Brexit—that a customs union must prevail. He says:

“May will be accused of repeating Robert Peel's split in 1846 over the corn laws. She should remember that Peel faced down his backwoodsmen and created a Conservative party fit for the Victorian age. He was in the right”.

The Conservative Party was also out of power for 28 years. The *Evening Standard* has just said:

“Titanic crash looms for the Government”.

Finally, the UK chief executive of German manufacturer Siemens is pleading with Britain, saying:

“Brexit is turning Britain into a laughing stock”.

Siemens turns over £5 billion and employs 15,000 people in this country. He is asking for us to stay in the customs union.

However, the customs union itself is not enough. We need to stay in the single market as well, and the best option by far, if we had the guts, would be to revoke Article 50 and then to put it to the people, saying, “Now that you know everything, are you sure that you really want to damage our economy, our livelihoods, and our citizens' and our children's future?” I am convinced that the public would say, “Absolutely not. Now we know, we would rather remain in the European Union”.

4.07 pm

Lord Taverne (LD): My Lords, I was not a member of the committee but, having read its report several times—it is not an easy read—I am impressed. First, as many speakers have pointed out, it provides convincing evidence once again of what would be the disastrous consequences of a no-deal Brexit, and I trust that the Commons will rule out that option conclusively.

The report should be, or should have been, compulsory reading for those who plan to vote for the Clarke amendment, for a form of customs union presumably on the lines of the facilitated customs arrangement analysed in this report. This, the Government claim, would enable the UK to control its own tariffs for trade with the rest of the world. It is the option which seems to be the present favourite to win the Commons beauty contest to be voted on today.

However, that option has many serious snags. As pointed out in chapter 5 of the report, the present EU customs union requires a common commercial policy—in effect, a single market. To allow for the freedom to make separate trade agreements with the rest of the world, the customs union proposed by the Government, and, one must assume, by the Clarke amendment, seeks to avoid this. But the committee tells us that, for this kind of customs union to work and for us to enjoy

[LORD TAVERNE]

a frictionless border with the EU as a non-member, there would still have to be convergence of regulations. We would, we were told, become “a regulatory satellite” of the EU. Would this be acceptable to most Brexiteers, or to those who support a soft Brexit? Instead of winning back control, we would, we are told, be subject to control by satellite.

The facilitated customs arrangement would also be immensely complex, involving different tariffs for EU and non-EU countries, including possible payments and repayments collected or paid on behalf of other countries. Compliance would, as many other speakers have pointed out, be a very hard and costly task for small to medium enterprises. Being part of a customs union without being a member would also require very complex negotiations, which are hardly likely to be welcomed by the 27 after their recent experience of endless delays and changes of tack by a succession of incompetent Brexit negotiators.

But what all Brexit advocates—even soft Brexit advocates—ignore is the most important development of all, to which the noble Lord, Lord Dykes, referred. There is strong evidence that the people’s will has changed since the referendum and is no longer the people’s will today. The evidence is not just the march by over a million people, or the petition to revoke Article 50 signed by some 6 million. Professor Curtice, who is much invoked by the Government and Brexiteers, long maintained that opinion had not shifted. He has now changed his view. A vote today, according to his findings, would be 54% to 46% in favour of remain; according to YouGov, it would be some 56% to 44%.

This shift should not come as a surprise, and there is every reason to suppose that it will grow. Nearly all Brexit news is bad: on overseas investment; a growing number of manufacturers and service companies which are planning to leave the UK; a likely crippling shortage of nurses and other professionals in the NHS, caused by the exodus of EU citizens; and so on. It is true that there are lots of leavers crying, “We want out”, and “Why haven’t we left yet?” No evidence will change their minds. However, there must be many of the 52% who voted leave who care about the future of their jobs and the prospects for their children, and they will not be impervious to what manufacturers such as those in the motor industry and Airbus tell us.

There was an extremely extensive poll of intending leavers on the eve of the referendum about the reasons why they intended to vote “out”. Many gave different reasons, but they all agreed that leave would have no downside—no prospect but that of life in the sunlit uplands. Now it is becoming plain what Brexit means: any form of Brexit, however soft, will make us poorer, especially the most vulnerable. It would be a strange twist to the present confusion if we left the EU because MPs believed they were obeying the people’s will, when—

Lord Dykes: I am sorry to interrupt the noble Lord, as I agree strongly with his words, but in the context of what he was saying two sentences ago can he estimate the number of people who accompanied Nigel Farage on his long trip from Sunderland?

Lord Taverne: It was not exactly over a million; I cannot give more details.

It would be an extraordinary travesty of justice if people who voted to leave because they thought that was what public opinion wanted now find that most want to remain. The only way to ensure that such a travesty of justice will not happen—and indeed to solve the present impasse among Government and MPs—is to give the final decision to the people.

I much admire the MPs who have spoken out for this cause, in defiance of party pressures: those Conservative MPs who cannot support a party 170 of whose public representatives have recently signed a letter in which they seem quite happy to tolerate the prospect of a no-deal Brexit. What an extraordinary retreat from sanity by a once-great party. No wonder people abroad feel we have gone mad. Similarly, I admire the Labour MPs who decided they could not support a party that aimed to make its leader Prime Minister, a role for which they believe he is totally unsuited.

Finally, I want to mention one other MP—one of Labour’s strong leaders in the battle against Brexit and the cause of a new people’s vote. It is my old opponent in Lincoln, who nowadays has my admiration and respect, Dame Margaret Beckett. More power to her elbow.

4.15 pm

Lord Kerr of Kinlochard (CB): I will make a small and typically unpolemical point in the gap. This admirable report says at paragraph 17:

“The UK Government has repeatedly ruled out entering into a customs union with the EU on the grounds that this would tie the UK to the EU’s Common Commercial Policy”.

That statement is true, but what the Government say, as reported in that statement, is not true. The customs union and the common commercial policy are completely separate in the treaty. They are legally distinct. The example of Turkey shows that you can have a customs union with the EU without having the EU running your trade policy. The Turks are outside the common commercial policy. Customs union means no tariffs between you and your partners and common tariffs against the rest of the world. It does not mean that the Commission would be negotiating for us with the rest of the world. It does not mean that we would benefit from existing EU free trade agreements. It does not mean that any new EU trade agreements would apply to us.

We know all that; why am I saying it? It is because next door in the other place, the issue of a customs union, as the noble Lord, Lord Taverne, said, is being talked about right now. Do not get me wrong: I still believe that Brexit plus customs union is a complete disaster and a dreadful thing to do, but it would be wrong to argue against a customs union on the grounds that it ties you to the EU’s trade policy, because it absolutely does not, even though the Government have frequently said that it does. We would be entirely free in the areas of services, intellectual property, public procurement, regulatory barriers and data. The only area where we would be bound by the EU’s decisions would be on the level of tariffs in goods—a relatively small proportion of world trade now.

I repeat: do not get me wrong—it is still a very dangerous way to go. However, when the House of Commons considers the customs union amendment written into the Trade Bill, it would be good if the Government, when they took a view on it, took a view on the merits of a customs union. We said nothing in our amendment this time to the Trade Bill or last time in the withdrawal Bill about losing our ability to do trade deals around the world or acceding to the common commercial policy, which is a completely separate question. The question of a customs union should be addressed solely on its merits.

4.18 pm

Lord Stevenson of Balmacara (Lab): I am very grateful to the noble Lord for not being polemical, but being very precise in helping us with our arguments. It also gives me a chance to share with the House my favourite moment of the march last Saturday, which was more than 1 million strong as far as I could see—certainly if you counted the people who were not able to get on to the march without wandering around and making London their home for the day. There were many placards, many of them very witty and erudite, some rather clever, and some a bit rude and certainly not to be repeated in polite company. My favourite, because I am sure that we all have one, was one I saw just about half way round. Of course, stupidly, I managed to drop my camera and could not pick it up in time to take a picture of it to give it to the noble Lord, Lord Kerr. It said very simply, in bold *Times* font: “I concur with John Kerr”.

Baroness Hayter of Kentish Town (Lab): He was holding it!

Lord Stevenson of Balmacara: I hear calls that it was he himself; it was not. I actually have no idea what it means, but it says quite a lot about the debate. I thought it was rather good.

This has been a useful and helpful debate on a report that probably had its peak impact a few months ago, but is nevertheless important. I want to explain why as we go through it.

Today we have been reminded of what was in that report and heard speeches from four of the committee members. These helped to explain why it was such a good report. They all said that it was a well-run and well-organised series of sessions with good evidence. Out of that, a fine report, crafted by the staff but signed on by the committee, was done.

We have also attracted an equal number of external Members who have contributed to the debate. That is always to the good and does not always happens in these debates on committee reports. Our committee system is one of the strengths of your Lordships’ House. It is a source of tremendous information, evidence and good and important things that we need to consider. It is therefore very sad that the Government have not honoured it here with a response. That is disrespectful to the committee itself, to the House and to the country. I hope that when the Minister comes to respond, he will have a satisfactory explanation as to

why we have been let down in this way. Unless the Government are prepared to support the committee system by providing timely responses to its work, we will lose the quality which we currently have.

The debate today has ranged far and wide, because I think we all share a worry about how to respond to a report that was of its time and is perhaps no longer quite so on the debate. With events happening only a few yards away in another place, it is difficult to be precise and draw conclusions from this report in relation to what we might hear later and which is probably pinging out on the news channels as we speak. However, the evidence that was presented to the committee from those who wrote in to submit it, as well as those who attended, provided a very interesting narrative about the situation described in the report. We would be foolish not to learn lessons from that for any scenario going forward. There has been a tendency in some speeches to use the committee report for a wider debate, but I will try to restrict my comments to the report itself, and hope that the Minister will respond in kind when he comes to reply to the debate as a whole.

The first section is about what happens if the UK fails to secure a deal with the EU. This is still relevant, and therefore it is quite important to understand what the committee was saying. It would be interesting to get a response from the Government to the recommendation in paragraph 86, regarding the administrative burdens that businesses involved in trade will have. Have the Government made any assessment of that and, if so, where might we find consideration of it? There will be considerable extra work for anybody involved in trade, whether or not it is on WTO terms. These burdens need to be assessed.

In paragraph 88, there is a familiar point for the Minister, who I think has had to answer this question on a number of occasions. I am sure he is well briefed on this occasion. Of 145,000 VAT-registered UK businesses trading only with the EU, and 100,000 businesses under the VAT threshold who may be trading—we do not know that—how many have now registered on this magical form which will give them all the answers they want? I think the last number was just 52,000. I am sure that it has gone up, and that he will be able to update us. This is important.

In paragraph 90, the report records that HMRC has estimated that the cost to UK businesses under no deal would be about £18 billion per year. I would be grateful if the Minister could respond to the point made in the report that HMRC could provide an itemised breakdown of those figures. The committee was keen to see it but were unable to get it. It would be helpful if we had that read into the record. If it is not possible to provide it today, perhaps he could write to those who have spoken in this debate.

In paragraph 92, there is a question about technological solutions. This comes up a number of times in the report, here with reference to the Northern Ireland border, where trade under any sort of rules requires, or at least might imply, the reintroduction of a hard border. At the time the committee was meeting, technological solutions were being prepared. Could the Minister update us? Is it still the Government’s

[LORD STEVENSON OF BALMACARA] assertion that in the event of no deal a technological solution is available to help with that problem? In relation to the points made on paragraph 93 by a number of members of the committee—including the chair—about the impact of checks at ports, particularly the Port of Dover, we all understand that there has clearly been further work on that, including various trial runs. Again, it would be helpful if the Minister could support that.

The main issue in this part of the report was a bit difficult for the committee to get into because it did not know what the tariff regime would be. Many of us in this House have been asking for a number of weeks and months for such detail; it is now available and has been published. I cannot remember the total number of pages but it is very large and there are 4,000 lines of tariff information, which have to be read and understood if one is to get to its basis. Luckily, most of the tariffs are zero so it is a relatively straightforward issue but the reason that they are zero is sometimes elusive. I am sure that the Minister will want to respond to that.

The best comment I have seen on that issue is from the UK Trade Policy Observatory at Sussex University. That organisation has done a number of pieces of work on the customs impacts that are likely to arise from deal or no deal. Its conclusion on the tariffs—I will not quote it but put it in general terms—was that even these tariff arrangements, which I think most commentators have broadly welcomed, will result in a negative impact on the UK economy. Although there are some positives in having a more liberal policy with regards to tariffs, there will still be additional costs, competitive pressures on firms and difficulties. The results also highlight that the policy means that with zero as the main tariff line, even though there are exceptions for certain goods which are protected, the scope for using those tariff lines for any future negotiation in any trade is very limited.

One wonders why we go on and on about how tariffs in relation to goods are going to be so important to any future negotiations when it is quite clear that, when all tariffs are at zero or close to it, you have no room for negotiation as far as goods are concerned. That has always been the case in the UK's economy; the issue is about non-tariff regulations in services, about which the Government are still very quiet. No doubt this agenda item might be recommended to the chair of the committee as something that it might want to look at in its next workload.

Having dealt with that I can move on to mitigations, where there is only one issue which I wanted to ask the Minister to respond on. It is to make sure that, as in paragraph 120, there is some sense of what the Government's plan will be,

“to ensure fair and equal treatment of all imported goods coming in on most-favoured nation terms”.

If he is able to respond on that, it would be helpful.

On the third and final part of the report, which is the broader discussion about the facilitated customs arrangement, two points need to be answered. First, when Ministers were giving evidence to the committee, the information from the Government was predicated largely on the role that was to be played by authorised

economic operators. I think that scheme is not yet fully developed so I would be grateful if the Minister could give us a bit of an update on where it has got to, in particular whether there is any chance that special arrangements will be made for SMEs. It is argued in the report that SMEs will have difficulty accessing that scheme. Clearly, if they are to be successful—they may well be the way forward—AEO schemes will need a lot more support from government. Where is that going to come from?

Secondly, in paragraph 189 there is a very important question about the rules of origin, which perhaps do not get as much discussion as they need in the customs debate. In that paragraph there is the suggestion that the Government should elaborate on their intended definitions for the “sufficient transformation” of intermediate goods. Again, I would be grateful if the Minister could help us on that.

It is clear that the majority view in the debate today, at least for those who have participated in it and possibly in the House, is that we should be staying in the EU. I do not dissemble from that but it is not an option that this House will be able to exercise much influence on, given that the responsibility must lie with the elected House. For instance, the noble Lord, Lord Horam, and others made the point that even if we are leaving the EU we should stay in a customs union because of the need to maintain frictionless trade, because of the way that it solves the Irish problem, because of rules of origin difficulties and because, as he put it, we actually benefit from the ability to secure deals with other nations based on being within a market of over 500 million people, compared to that of our own.

These are all crucial points, and I end with one thought to which I invite the Minister to respond. As was said by the noble Lord, Lord Dykes, and others, the ambition of the Government in their deal is to have a free trade agreement with the EU that is sans pareil. It is the best, most inclusive and intensive deal, so much so that it would appear able in many ways to be judged by the WTO as a customs union. If that is the case, why is it not possible for the Government to accept that that is where we need to be? A customs union and the ability to be part of the single market are what industry wants and what the trade unions have argued for. It is clear to just about everybody in the country now that that is what we want. There is little point in trying to argue whether there is a difference between a fully-fledged FTA plus engagement with the single market and staying in the EU, but if we are moving out that must be the way forward. Perhaps the Minister could respond.

4.30 pm

The Minister of State, Department for International Development (Lord Bates) (Con): My Lords, I begin with one or two points on which we can all agree. The noble Lord, Lord Stevenson, mentioned the work of the committees in your Lordships' House, how outstanding it is and thorough they are. Nowhere is that more the case than in the European Union Committee, its six sub-committees and the External Affairs Sub-Committee—chaired by my noble friend Lady Verma—whose report we are discussing today.

They do an incredible amount of work. I commend Appendix 2 to anyone who has not had the opportunity to study the full report, where they will see the list of people who gave oral evidence. The quality and range of people from whom evidence was taken have contributed significantly to the strength of the report, if not also to the difficulty of the Government being able to respond—a theme to which I will return shortly.

It has been good to have this debate. Although narrowly focused, it has managed to touch on all the key points that needed to be raised, in a systematic way. My noble friend Lady Verma, began the debate with an excellent speech, in which she set out the terms and focused particularly on tariff policy. My noble friend Lord Horam spoke about the challenges of Northern Ireland; the noble Baroness, Lady Suttie, about the implications and risks of no deal; the noble Lord, Lord Triesman, about the impact on business; the noble Lord, Lord Dykes, about standards; the noble Baroness, Lady Randerson, about technology at the border; the noble Lord, Lord Bilimoria, about the importance of supply chains; the noble Lord, Lord Kerr, about the common customs policy; and the noble Lord, Lord Stevenson, about the facilitated customs arrangement.

Rather than using the set response that I have, I will zero in with a short update on where Her Majesty's Government are at present with a statement of policy. Then I will respond to as many of the questions that have been asked as possible. I also give notice that it would be good for the committee and the House to have a written response to this high-quality debate, and I will ensure that that happens in a timely way.

The Government always seek to provide the committee with the latest and most comprehensive information possible. The ongoing negotiations with the EU and recent developments within Parliament can sometimes make providing the most up-to-date information difficult. My colleagues in the Department for Exiting the European Union regret the lengthy delay in responding to this report, but I assure noble Lords that a response will be sent to the committee as quickly as possible.

Before discussing the detail of this report, I will touch briefly on the broader context for this debate. The Government's clear preference is to leave the EU with a deal and we remain committed to doing so. We were disappointed at the result of last week's vote on the withdrawal agreement. Nevertheless, our priority is to press the case for an orderly Brexit that delivers on the result of the referendum.

In addition, while a no-deal scenario, mentioned several times in the report, is not the Government's preferred outcome, preparations are continuing for such an outcome. Indeed, in relation to the report, leaving the EU without a negotiated deal would result in customs controls at the UK's borders and tariffs on our exports to the EU. This is why the Government have been focused on putting a deal in place.

I turn now to questions that were raised and I start with further explanation of the delay in responding. The report, as has been said, was published in September. A response would therefore, in the normal routine, be due sometime in December. Noble Lords will recall that December was a pretty fast-moving time, with

discussions taking place, and it was not possible to get clearance between the different departments for the release of the response at that time. We thought that that might ease in January but it did not: it is a story of that nature but I emphasise that this is not normal. I have responded in debates in your Lordships' House to a number of reports from committees, so this is not normal government practice: we take reports very seriously and this is merely a reflection of the times. I convey again my apologies to my noble friends Lady Verma and Lord Horam, the noble Lord, Lord Triesman, and the noble Baroness, Lady Suttie, who were members of the committee, and to all members of the committee.

My noble friend Lady Verma asked about the impact assessment and tariffs. The impact is summarised in the tax information and impact note published alongside the temporary tariff. Tariffs are a tax and therefore a tax information and impact note is, we believe, the most appropriate document for communicating tax changes. The noble Baroness, Lady Suttie, and others asked about the implications for roll-on roll-off ports. Although it was mentioned in the context of Dover, and I know the committee visited Dover, I take on board the point raised by the noble Lord, Lord Wigley, in an intervention, about the importance of Holyhead. The Government recognise that roll-on roll-off locations depend on a fast flow of traffic, which could be significantly affected if customs controls and regulatory checks were reintroduced for EU trade. Maintaining frictionless trade is therefore a priority for the Government.

In a no-deal scenario the Government have been clear that we will prioritise trade flows at the border, but not at the expense of security. HMRC has continued to carry out targeted checks on goods entering the country, as we do now. In the event of no deal, the Government's day one roll-on roll-off model aims to move customs formalities away from the border, easing the pressure at the ports and at Eurotunnel, helping to avoid delays. We have published roll-on roll-off bridging guidance, last updated in March, to support businesses to understand fully how to comply with the new model. We will continue to update business on these matters.

My noble friend Lady Verma asked about the facilitated customs agreement. It is still the preferred outcome. The political declaration on the framework for the future relationship between the UK and the EU, agreed with the EU, set out a plan for a free-trade area for goods, including no tariffs or quotas, with ambitious customs arrangements. The Government recognise the need to discuss the future customs model in detail with the EU in the next phase of discussions, in line with the commitment set out in the political declaration. The Government are aware that there is currently a live debate in the House over the future relationship and we will contribute to that ongoing debate.

My noble friend Lady Verma and the noble Baroness, Lady Randerson, talked about the need for technology and asked whether such technology is currently available. The Government will continue to consider the potential application of technological solutions to streamline customs processes. There is a range of technologies that could help facilitate trade over the Northern

[LORD BATES]

Ireland/Ireland border—for example, by streamlining any requirements that may emerge after the UK leaves the EU.

Lord Kilclooney (CB): As one living near the Irish border, I realise that it has two sides. Sometimes I get the impression that people in London do not realise this. Can the Minister confirm that Her Majesty's Government have decided that there will not be any infrastructure on the United Kingdom side of the border? On the Irish side, it is a matter for the European Commission. Has the Commission yet confirmed that it will have no infrastructure on the Irish side of the border?

Lord Bates: The noble Lord will be aware that this is a fast-moving situation. There have been some statements by the Taoiseach on this in relation to the Republic of Ireland. The Good Friday/Belfast agreement states that there will be no hard border on the island of Ireland. I know that that does not answer the noble Lord's question; he asked in particular about the differences in how tariffs might be collected between Northern Ireland and the rest of the United Kingdom. We have made some statements on that; given that it is such a delicate matter, I will cover that point in my written response at the end of the debate. The Government continue to be committed to developing alternative relations to replace the backstop, and we have agreed a specific negotiating track with the EU which will form part of the next phase of negotiations.

The noble Lord, Lord Dykes, asked whether the Government's estimate that 96% of UK goods will be able to pay the correct tariff up front has been challenged. The Government published further detail on this calculation on 21 December 2018 in response to the request of the UK Statistics Authority. The publication set out:

"Up to 96% of UK goods trade would be likely to be able to pay the correct or no tariff upfront under the FCA".
These goods would be:

"Trade (imports and exports) with the EU or exports to non-EU countries".

I think the question put by the noble Lord, Lord Stevenson, was discussed during one of the regulations on the EORI registrations. At that point it was 52,000; I can report that it had risen to 67,000 as of the week ending 22 March—so we are making some progress.

This has been an excellent debate, in response to a very thorough report with some 31 recommendations. I reiterate to the committee and to those Members who have been party to the report's production that our delay in response is due to what are the hopefully understandable challenges of the present time, and in no way takes away from how valued this is.

Finally, I will respond to two comments from the noble Baroness, Lady Suttie, and the noble Lord, Lord Triesman. The noble Baroness said that our discussion on this topic resembled a fundamentalist debate, with no ground being given and an absence of facts. The noble Lord, Lord Triesman, was fair-minded in recognising that none of us can say that we have distinguished ourselves in this very difficult situation in which the nation finds itself. I am sure that I speak for the whole House in saying that past performance

does not necessarily guarantee future performance. I remember that my father often used to say to me as I left the house, "Remember, this is the first day of the rest of your life. Treat it as such".

This is an opportunity for us to look forward and do something different. This debate on Brexit has descended into a bitter courtroom divorce battle in which the parents' hatred of each other has meant that they have forgotten their shared love and responsibility for their children. We hope that now is the time to seek selfless solutions that will put the well-being of all the people of this great country at the centre of our deliberations. We hope that that starts today, and continues tomorrow. I thank my noble friend for her debate.

4.44 pm

Baroness Verma: My Lords, I am extremely grateful to the Minister for his—as usual—very polite and considered response. The debate has been excellent, highlighting once again the complexities facing us as a nation. As the Minister said, it is time for us to reflect in a much more considered manner on how we approach this debate.

I will quickly give my own thoughts. Colleagues on the committee—the noble Lord, Lord Triesman, the noble Baroness, Lady Suttie, and my noble friend Lord Horam—all said that it is essential that we look at customs and trade. They are essential to our economy, and it is critical that they are properly protected, especially our small and medium-sized businesses and the supply chains. As my noble friend Lord Horam said, inward investment is the jewel in the crown of the UK, which is why it is so critical that every Member today spoke of the importance of that. We do not have the technology today, and we are marching faster and faster towards leaving Europe without all the processes in place, and none of the protections that small and medium-sized businesses are asking for.

I urge the Minister to take back to his department and to his colleagues across government that, if this debate is to bring people together, because we are an incredibly divided nation, they have to look at what committees' reports are saying. They are considered, they take time, evidence is given and, as the Minister said, the evidence sessions he saw, along with the recommendations he has witnessed, mean that we ask government to look long and hard and then respond in a timely manner. I know that the Minister will have read our report page by page and word for word, and I hope that he will recommend it to his colleagues across government, because it will be helpful to them. On that note, I beg to move.

Motion agreed.

Yemen: Giving Peace a Chance (International Relations Committee Report)

Motion to Take Note

4.47 pm

Moved by Lord Howell of Guildford

That this House takes note of the Report from the International Relations Committee *Yemen: giving peace a chance* (6th Report, HL Paper 290).

Lord Howell of Guildford (Con): My Lords, in this debate we are dealing with a short report—or rather, it might be said, a list of observations and questions—on the deeply troubling issue of the continuing conflict in Yemen and its hideous humanitarian consequences. These are on a scale unmatched in modern times, with 60,000 or more civilians killed directly by the fighting over the four years or so, and thousands more dying of starvation, and rampant cholera and other diseases. In the words of various United Nations agencies, it is the “world’s worst humanitarian crisis”, with up to 22 million people facing a severe food and water shortage, vast displacement of people, and many constant tragedies.

The much deeper issues of British and western involvement in the whole ongoing turmoil of the Middle East region were addressed by your Lordships’ committee in an earlier report, as indeed we addressed the question of whether this area is still in the western sphere of influence at all or is increasingly turning eastwards, towards the rising power of the Asian nations and networks, which the 21st century has propelled to dominance. Here we simply focus on the specific matters of the unparalleled horrors and suffering in Yemen, aspects of the complex struggle there, the ways it has been conducted and the British role.

This is a continuing conflict in which all sides are acting with extreme ferocity. The Houthis—the rebel group that sprang from the priest and cleric Houthi of 10 to 15 years ago—control their areas of the country with savagery, and neighbouring Saudi Arabia has a right to defend itself against direct attacks, which it has received with missiles which have been validated as of Iranian origin. No one wants hostile and aggressive powers right on the neighbouring borders, and the fears of Saudi Arabia and the United Arab Emirates must be fully understood. I think we understand them. Despite the flood of military equipment and the back-up of technical trade support and training being poured into the area, no side is winning and a stalemate of horror persists as the situation dissolves into a fragmentation of local wars and blockades.

The British contribution to address the suffering in line with our international duty must be commended, and we do so in our report. The UK aid total to date over the four years adds up to £511 million, which is not a small sum by any standards. There are, it is true, problems about our food aid getting through to the right hands rather than being diverted or just blocked at the ports, but the overall commitment by the British Government is undoubtedly strong and evident. The Foreign Secretary himself has visited Yemen, and our commitment to alleviate the suffering is clear.

However, when it comes to British involvement with the parties to the war, which is causing all the suffering in the first place, by virtue of Britain’s colossal arms exports to Saudi Arabia and the United Arab Emirates, the situation is much less clear. Our short report does not say that British arms shipments should be immediately suspended, as some of the more sloppy media reporting suggested, although other countries have indeed imposed a *de facto* embargo—Norway, certainly, and Germany for at least six months ahead. We are saying not only that future licensing of arms exports should be kept under intensely tight review

but that this process and pressure should be used to keep pushing the combatants harder to end armed conflict and returning to politics and negotiation under the Stockholm process.

Our Government claim that their overall position is, to cite ministerial witnesses,

“narrowly on the right side of international humanitarian law”—

apparently accepting by implication that our weapons, including combat aircraft and munitions, are not being used for persistent and large-scale air strikes and civilian casualties. The question must be: how good is that evidence? Is the Saudi review process, from which these propositions come, good enough? How are the investigations of the horrific civilian casualties collected, assessed and made available?

We need to know more precisely how approval decisions on specific arms exports are matched against the evidence received. How does the licensing approval system work in situations such as this? It would also be good to learn more accurately exactly where British weapons end up and in whose hands they are in this many-sided struggle. For instance, are British arms actually going to various Yemeni militias as well as to the Saudi and UAE Governments—possibly through the UAE—or even to jihadi groups, several of which are operating in Yemen, notably al-Qaeda? There have also been reports of British Special Boat Service units operating in northern Yemen. I shall not ask about them, and the Government would not answer, but can we be assured once again that we are not being sucked into becoming a direct party to this hideous conflict?

As of now, without greater clarity on these issues and in the light of worrying reports of the use of British arms in indiscriminate airstrikes, we suggest that the narrow balance leaves British policy—however unintentionally—narrowly on the wrong side of international humanitarian law in an appalling situation. We should like to be assured that every effort is being made to turn war and terror into peace. We should like our efforts combined with others internationally to help rebuild a destroyed nation and restore a hideously wounded nation and people.

It would be good to have confirmation that the UK’s role as a so-called pen-holder—I think that is a sort of rapporteur but I may be corrected on that—in the UN is being used vigorously to put UN authority firmly behind an escape from the bloody status quo of stalemate. We support fully the work of Martin Griffiths, the UN special envoy, but it is not nearly enough to bring the vital peace and end to suffering, alas.

Above all, I hope that we can be given clear assurance that, as well as doing our utmost to alleviate the suffering, British policy is doing nothing to prolong or intensify the conflict, and that such influence as we have with both the Saudi Arabians and the UAE is being used to counsel care and restraint in avoiding civilian casualties—while of course recognising fully the deep concerns of those two countries and the need for stability and government legitimacy in their neighbourhood. I await with great interest the Minister’s comments on these questions and the tragic issues behind them.

4.56 pm

Baroness Amos (Lab): My Lords, I thank the noble Lord, Lord Howell of Guildford, and the committee for the report, particularly for setting out so clearly the complexities of the situation in Yemen. I support all the recommendations, particularly with respect to the need for the UK Government to be more robust and vocal in condemning violations of international humanitarian law. Over time, we have seen worrying erosions of long-held humanitarian principles—for example, regarding medical facilities, educational facilities, the denial of access to humanitarian aid workers and the targeting of such workers. Such significant breaches of these principles should not have happened.

There is also the importance of the UK Government redoubling their diplomatic efforts. That is why I was so pleased to see the special envoy get the parties round the table in Stockholm in December. The consultations in Stockholm marked the resumption of the political process. Two and a half years have passed without peace talks, during which time parties never sat together. The agreement reached in Stockholm proved what can be achieved through dialogue, mediation and diplomacy. It showed that something was beginning to happen on Yemen. The most important element of Stockholm was the agreement on Hodeidah, which prevented a battle that would have had both a political and humanitarian cost in the form of famine. The parties agreed on a government-wide ceasefire and the mutual military redeployment of forces from Hodeidah port and city. If implemented, this would be the first military withdrawal since the war started. It would also give the UN permanent access to the Red Sea mills, where metric tonnes of food sit. Everyone agrees that there is no military solution, but the threat of famine remains very real.

I was at the UN and watched with horror as the world allowed the crisis in Syria to unfold. The people seemed to come last. I hope that will not happen again in Yemen. When I was at the United Nations, I visited those who had to flee their homes and who were being targeted by parties to conflict. I was asked many times why the world had abandoned them. We have to make sure that this does not happen to the people of Yemen.

Since the Stockholm agreement, the ceasefire has broadly held. When compared with the 12 weeks preceding it, the post-agreement period has seen a 50% reduction in civilian casualties, in contrast to the rest of the country, where civilian casualties have increased. However, military deployments have not happened yet and the implementation of the Hodeidah agreement has been slow. The United Nations is still shuttling between the parties as they have yet to agree on an operational plan to make the redeployments a reality, and there is deep mistrust between them, which makes implementation slow. Hardliners in each camp have also taken advantage of the implementation phase to prevent progress. It is tedious work, which needs a lot of convincing, so patience is needed. I have seen that happen time and time again.

However, outside pressure is also essential. In his report to the UN Security Council in February this year, the UN under-secretary-general for humanitarian affairs, Mark Lowcock, said:

“About 80 per cent of the population—24 million people—need humanitarian assistance and protection. Some 20 million people need help securing food, including nearly 10 million who are just a step away from famine. Almost 20 million people lack access to adequate healthcare, and nearly 18 million don’t have enough clean water or access to adequate sanitation. More than 3 million people—including 2 million children—are acutely malnourished. Some 3.3 million remain displaced from their homes”.

The noble Lord, Lord Howell, has already referred to some of these figures. Mark Lowcock could not have painted a bleaker picture because behind every single one of those statistics is a child, a woman or a man.

We must find a way to move this forward. The parties do not want the UN to hold the next round of political consultations without any, as they call it, tangible progress on Hodeidah. The implementation of the Hodeidah agreement is a test to assess whether the parties can be trusted to deliver on their commitments. It is a demonstration of will. If the special envoy and the parties manage to implement what was agreed in Stockholm, we may be on the path to a comprehensive political solution in Yemen. It is doable. The issue in Yemen is not necessarily finding a solution but finding the way to get to that solution. There is a wealth of knowledge about the possible political solution. In 2016, the parties spent three months in negotiations in Kuwait. The question is whether there is the political will. I hope so because the alternative is much worse: war, famine and terrorism will flourish. The UN Security Council is united on Yemen. The role that diplomacy plays has been very positive. It has complemented the special envoy’s efforts and the council being united has meant that the United Nations has been able to use its diplomacy efficiently.

Perhaps I may put three questions to the Minister. The first relates to the humanitarian situation and the financial resources agreed at the conference in Geneva. Urgent disbursement is required, so I ask the Minister when DfID and the UK will disburse their contribution. Secondly, I turn to the role of women in the peace process. I was horrified to see that there were no women in the delegations in Stockholm. How will the UK Government use their influence to encourage the parties to include women in those discussions? Finally, it is clear that we need the United Kingdom to support the efforts of the special envoy. How can the UK use its influence with the Kingdom of Saudi Arabia and the UAE to prioritise progress towards a political settlement, as well as using their influence with Oman, which has some influence over the Houthis?

5.04 pm

Lord Luce (CB): My Lords, I am delighted to follow the noble Baroness, Lady Amos, who speaks with enormous authority and experience on this issue, having served with such distinction at the United Nations and in tackling humanitarian issues. I too warmly welcome the report of the Select Committee and the excellent introduction from the noble Lord, Lord Howell. It is certainly refreshing to be talking about an issue outside the European Union, looking more outwards, which is what this country needs to do again. I hope that in due course we will follow this Select Committee report with other ones about our role in the rest of the world—the sooner, the better.

Four and a half months ago I put down a Question for Short Debate. We have since had the Stockholm agreement, as the noble Baroness, Lady Amos, referred to it; the efforts of the Foreign Secretary, Jeremy Hunt, in his tour of the Gulf countries, and I commend the efforts of Her Majesty's Government; and the valiant efforts of Mr Griffiths and others. But we have to recognise the condition of Yemen before we decide how to move forward. It is a failed state. I have described it before as a kind of Dante's Inferno for the people who live there. At the moment it does not have the makings of a nation state. I have to confess that I have watched this for over 60 years, since I first went out as a young student in the late 1950s when my father was governor of Aden. At that time there was the imam ruling north Yemen, and the British with the colony and the eastern and western protectorates of Aden.

Since then, after the unhappy departure of the British—it was a very unhappy situation indeed after we left—there has been civil conflict of major proportions between north and south. The unification of north and south under President Saleh was absolutely disastrous and has led to warring factions of one kind or another from the separatist tribal south to Aden, Hadramawt, Ta'izz, the Houthis and so on. It is a fragmented country with desperate humanitarian challenges.

The report and the noble Lord, Lord Howell, referred very fully to the Stockholm agreement. I agree with the recommendations in the report of the Select Committee, although I ask for more than just a review of export licensing. We are facing an extremely serious challenge there, and where export licensing may conflict with humanitarian law we should take action and suspend those licences.

There is no military solution whatever to the problem in Yemen, as the noble Baroness, Lady Amos, said, but I commend the role of the British Government. This is the kind of role we should be playing in different parts of the world. Our humanitarian contribution of over £500 million in four years has been outstanding, but I want to say a word about the role of diplomacy by the United Kingdom. Of course, the precondition for any progress at all is the fulfilment of the various first stages from Stockholm, and thereafter a ceasefire. But the people of Yemen want hope, and they need to link that with the prospects in the longer term—so even though the immediate situation is very grave, we need to think too about the longer-term strategy. We have to start by recognising the gravity of the fragmentation and considering how the various groups in that country will find a way of living with each other and what form of governance will emerge. I recently met a man called Mr al-Zoubaidi, the president of the Southern Transitional Council, which is strongly supported by the UAE. He said he is looking forward to an inclusive political process because the south has been marginalised for so long. The groups have to find a way of living and working together—obviously with the help and encouragement of outside powers.

The point I stress is this. The role of regional nations is critical; Europe is there to back up, but the front row of the scrum is the Kingdom of Saudi Arabia and the United Arab Emirates. Our job is to

back that up where we can, and to engage with Kuwait and Oman so that there is a very strong international effort behind finding a long-term way forward. To my mind, a key is the rivalry between Saudi Arabia and Iran. It is vital that the international community does whatever it can to press those two nations to find a way of living together. The rivalry is doing an immense amount to undermine stability in the Middle East, and certainly in Yemen.

Then there is the question of the longer-term role of the Kingdom of Saudi Arabia and the UAE in their coalition. It looks as though Saudi Arabia's interests are to see stability in the north of Yemen, whereas the UAE is already showing more than an interest in the south. The question is: how much are we and the international community engaging with those two nations on the kind of role they can play that would help to stabilise that region and not colonise it?

The last point I want to raise is the lessons of the wider region. The strategic importance of the Red Sea, the Gulf of Aden and the Straits of Bab-el-Mandeb is obvious to the international community, but both sides of the seas are very unstable. In the Horn, you have Eritrea and Somalia and the work of al-Shabaab; by contrast, you have Yemen on the other side. It is worth reminding ourselves that we, along with other naval forces, have played a positive role through the naval task force in trying to reduce piracy in those seas, and that has been successful. We have also played an important role in helping to build up Somaliland as a more stable part of Somalia. There could be lessons to be learned here. For example, in the port of Aden, there could be areas in which we could work to help build up greater stability.

I hope the Minister will reassure me that the Government are thinking seriously about longer-term strategy as well as the immediate.

5.12 pm

Baroness Smith of Newnham (LD): My Lords, I am delighted to follow the noble Lord, Lord Luce, and the noble Baroness, Lady Amos, who bring such expertise about both the region and the UN. I have the pleasure of serving on your Lordships' International Relations Committee, and the noble Lord, Lord Howell, as chairman, has introduced the report very effectively. I thank him for chairing this short report. As a committee, we are still relatively new. We have had some long reports but we have also tried in a few shorter reports to bring issues of urgent importance to your Lordships' House. This report was printed only in mid-February, so it is a great opportunity to be able to debate it today. I am grateful to the usual channels for allowing the debate to come forward in such a timely fashion.

As the noble Lord, Lord Luce, intimated, there is a danger at the moment that we in the United Kingdom spend so much time focusing narrowly on our future relationship with the European Union that we do not have time to think about the wider world. While we focus on whether or not we have a relationship with the European Union that is about a customs union, a free trade area or anything else, millions of people are facing starvation in Yemen. There is a man-made catastrophe; some 24 million people are in need of

[BARONESS SMITH OF NEWNHAM]

aid—three-quarters of the whole population. The noble Baroness, Lady Amos, indicated just how many individuals are facing starvation and medical need. She also pointed out that each one of those statistics is a human life.

The situation in Yemen is of grave concern, but it is not sufficiently on the front pages of our newspapers. In the years since the crisis began five years ago, GDP per capita has gone down 61% and fuel and food prices have gone up 98% and 110% respectively. They are dramatic figures that we need to think about, because each further day of this conflict means more children dying, not only as civilian casualties but through starvation, which should not and need not be happening. There is food in the ports, but is it getting to the people concerned? There are clearly issues about how far food is able to get through. What reassurances can the Minister give that British aid is getting through? We were given evidence that 99% of food is getting through, yet suggestions from Saferworld and other organisations indicate that it is perhaps not that much. What is happening on the ground? Can the Minister reassure us?

We have already heard that Her Majesty's Government have made significant humanitarian aid available to Yemen—and that is true—but we are looking at figures of £170 million in aid, alongside arms exports to Saudi Arabia in the same amount of time of £4.7 billion. Surely something is going wrong when the countries involved in the conflict, whether as part of the coalition or supporting the coalition, are engaged in serious arms exports and arms trading while, at the same time, giving humanitarian aid at a much lower level.

The United Kingdom is the fifth-largest donor of humanitarian aid to Yemen at present, after the United States, the UAE, Saudi Arabia and Kuwait. If the war stopped, we could begin to focus on ensuring that the humanitarian situation is not just mitigated but resolved. As the noble Lord, Lord Luce, suggested, perhaps we need to think about more than simply reviewing our arms export licences to Saudi. Is the Minister satisfied that the United Kingdom is currently on just the right side of humanitarian and international law, as the former Foreign Secretary, Boris Johnson, believed, or may we have tripped over to the wrong side?

This was a short inquiry, consisting of one evidence session. However, it was a rich evidence session because the key evidence giver was the former Minister of State, Alistair Burt, who brought a great deal of wisdom and expertise. We are most grateful to him for his evidence and he will be greatly missed as a Minister. He reminded the committee that Her Majesty's Government's position is that we cannot resolve the situation in Yemen through military means or external action; it needs to be resolved by the Yemenis.

Our conclusions included the suggestion that Her Majesty's Government need to do more to resolve the situation rather than simply trying to mitigate the crisis. What do they propose to do to enable us to go beyond the conflict and the Yemenis to take control of their own future? The visit of the Foreign Secretary to Yemen and the surrounding region is important. How far will he be able to take a lead in working beyond the Stockholm process to ensure that we do not face

another five years of conflict in Yemen but will be able to resolve the issue and work together with the international community to overcome the crisis, rather than simply coming back in a year's time, for example, and bemoaning the difficulties that the international community has been unable to resolve?

5.19 pm

Baroness Anelay of St Johns (Con): My Lords, I thank my noble friend Lord Howell for setting out so clearly the main points that underpin our report and recommendations. It was such a pleasure to serve on the committee under his chairmanship. As the noble Baroness, Lady Smith, just said, this is a timely debate, coming just a week after the Foreign Office and DfID set out their joint statement on the fourth anniversary of the intervention by the Saudi-led coalition in the Yemen conflict.

I shall focus today on the impact of the war on women and girls, who have been disproportionately affected by the conflict and the humanitarian crisis, and the role they could play in the peace process. I welcome the remarks made by the noble Baroness, Lady Amos, on the peace process. The International Committee of the Red Cross says:

“80% of Yemen's population rely on aid to survive. Yemen's entire economic system has collapsed. This can't be substituted by humanitarian organisations”.

Of course, it is right, but humanitarian assistance is vital today for the very survival of Yemenis. I congratulate the Government on their contributions to humanitarian aid in Yemen. Can the Minister update the House today on the result of the recent pledging conference in Geneva? What have other European Union countries pledged? Have they matched the UK's good example?

I am grateful to the International Rescue Committee for its written briefing on the humanitarian concerns and to Ciarán Donnelly, the IRC's vice-president for international programmes, for his presentation to the joint meeting of the APPGs on Women, Peace and Security and Yemen last month. I was pleased that the noble Lord, Lord Hannay, was able to attend and give a presentation of the committee's short report.

While all Yemenis are clearly affected by the war, women and girls are bearing the burden. This is particularly evident in the context of the country's malnutrition crisis, to which other noble Lords have referred. Some 2 million children and more than 1 million pregnant women and new mothers are acutely malnourished. The war has also exacerbated pre-existing inequalities and vulnerabilities for women and girls. Incidents of gender-based violence have increased by more than 63% since before the conflict started. The rate of early and forced marriage of girls has risen dramatically, tripling since 2015. The breakdown of public services is having a major impact on women's ability to gain access to healthcare. Only 35% of maternal and new-born health services are fully functional. Health services that are available are simply not equipped, staffed or trained to deal with the needs of women and girls affected by violence.

Does the Minister agree that it is important for the UK and other humanitarian actors to increase the priority given to the needs of women and girls, paying

specific attention to preventing and responding to gender-based violence and to ensuring better access to maternal healthcare? If so, what action do the Government intend to take? For example, will they increase dedicated funding to end violence against women and girls? Will they press for the UNFPA's Yemen humanitarian response plans to be fully funded? Will the UK encourage the UN to appoint a gender-based violence adviser to be based in Yemen to be responsible for ensuring that a gender perspective is applied to assessments and that UN co-ordination on gender-based violence is improved across the work of UNICEF and UNHCR?

As our report makes clear, we commend the Government for their ongoing humanitarian contribution and the work of DfID and British volunteers who risk their lives every day to deliver assistance, but we can do more to help to resolve the crisis. We could, for example, put our weight behind the UN peace process in new and imaginative ways. I would be grateful if the Minister could respond to our committee's recommendation, at paragraph 69 of the report, that the UK,

"should consider appointing a Special Representative, based in London, to speak to all the parties concerned, both internal and external, to reinforce the efforts of the UN Special Envoy".

This could provide an impetus to work on including women in the peace process more effectively.

I welcome the fact that the UK has supported the Yemeni Women Pact for Peace and Security to increase women's leadership and inclusion in the official peace process. The group now has official status as a consultative body for the UN Secretary-General's special envoy. However, I suspect that they will not sit round the table to negotiate peace until and unless there is a change of attitude among all parties to the conflict. A UK special representative could be an influence for good in shifting the dial.

As long as the voices of Yemeni women are relegated to the periphery, it is unlikely that any peace process will have a lasting effect. To create lasting peace, we need women's voices. From conflict prevention and conflict resolution to reconciliation and economic recovery post conflict, women's meaningful participation in peace processes increases by 35% the likelihood that an agreement will last more than 15 years.

Meaningful participation requires that women are at the table when negotiations take place, that women's interests and lived experiences are fully reflected in peace processes, and that women are equally considered in recovery efforts in the aftermath of conflict. As my noble friend the Minister said last month in New York when he attended the Women for Women International meeting at the Commission on the Status of Women:

"We don't just want women involved; they have to be involved in conflict resolution ... Let us deliver on this noble objective".

He was right. How are we going to do that?

5.26 pm

Lord Hannay of Chiswick (CB): My Lords, I follow a number of other members of the committee in thanking our chair, the noble Lord, Lord Howell of Guildford, for his very crisp and clear introduction of our report. I echo much of what the noble Baroness, Lady Anelay, has said, and I am delighted also to

follow the noble Baroness, Lady Amos, whose work at the United Nations was something that we should all be grateful for. She deserves much credit for it.

Today's debate is long overdue; nevertheless, it is welcome. It is particularly welcome that the Government have scheduled this debate ahead of the two-month limit for the submission of their response to our report. That makes the Minister's reply today all the more important, and no doubt it will be followed by the Government's formal response to our recommendations. It is overdue because in this country, as elsewhere, the situation in Yemen has tended to be marginalised and overlooked, despite the copious evidence of appalling loss of life and suffering in the civil war that continues there.

It has been very easy to think of Yemen as a far-away country of which we know little, but that is a mistake. This is a conflict in which Britain has been playing a role—admittedly, an indirect role and not that of a combatant. Therefore, I begin by unstintingly praising the work of DfID and the British-based NGOs in mitigating the humanitarian catastrophe brought about by the war. The impressive sums that we are devoting to this mitigation need to be sustained, and I imagine that the Minister will say something about that. However, mitigation is, frankly, no longer enough, if it ever was. What is needed now is a major concerted international effort to bring this war to an end, because it will not be ended on the battlefield; it desperately needs a political solution.

Britain's position as a permanent member of the Security Council is an important aspect of that international effort, particularly as we are the penholder for Yemen in New York. Being the penholder is not so much a matter of pride; it is a responsibility. I have to say that holding the pen is not much use if the hand that holds the pen is paralysed. Through much of 2018, that was indeed the situation; the Security Council did not do much to deal with a situation that was deteriorating all the time or with the suffering, which was so great.

With the adoption of two resolutions at the United Nations on the basis of the Stockholm talks, I accept that this is no longer so. But it must not become so again. We must not fall again into a state of palsy. With the first fragile and tentative steps towards a peace process at Stockholm not progressing very far, or very fast—not registering much progress—the Security Council's intervention may well be needed again. It would be good to hear from the Minister something about the role of the Security Council in the period that now lies ahead.

We need then to consider how best we can back up the praiseworthy efforts of Martin Griffiths, the UN special envoy. Our reports suggested, and the noble Baroness, Lady Anelay of St Johns, mentioned—I mention it too—that the Government should contemplate the appointment of a special representative, who could be in continuous contact with all the parties to the conflict, both internal and external; our ambassador to the Hadi Government, in Riyadh, clearly cannot be. Perhaps the Minister could give us a response to that suggestion.

[LORD HANNAY OF CHISWICK]

On the ground, the UN is playing a modest verification and monitoring role and function in and around Hodeidah, which is crucial for access to humanitarian supplies for the rest of the country. I am sure it would be helpful if the Government could make it clear in this debate that they would be willing to provide equipment and expertise additional to that which we are already providing for that mission, not just in Hodeidah but elsewhere in the country if, as is to be hoped, the ceasefire can be extended more widely.

In this debate, as in our report, the issue of arms supplies to those involved in the conflict—particularly to Saudi Arabia and the United Arab Emirates—cannot be ducked. There is too much evidence that material we have supplied has been used in what amounts to breaches in international humanitarian law and, thus, to a contradiction between our obligations under the Arms Trade Treaty and the commerce that we are conducting. I have to say—the noble Lord, Lord Howell, said it too—that our committee was not a court of law. We had no access to confidential material, but it seemed to us that a line has been crossed, and that the Government's assertions to the contrary lack credibility. This, after all, seems to be the view of the German Government—who have suspended their arms supplies to Saudi Arabia—and of both Houses of the US Congress; that is quite a combination.

We have suggested that the Government make it clear, in private and without grandstanding, to all the external players, that if they were not to give their backing, in deeds as well as words, to the peace process that began at Stockholm, and if aerial bombardment or the blocking of humanitarian supplies—food and medicine most importantly—were to resume, there would be negative consequences for our bilateral relations, and that would include some suspension in the supply of arms. I hope very much that the Minister will say that the Government share this view and will act accordingly. That would be a real boost to the prospects for peace.

I end as others have done with a tribute to the former Minister of State, the right honourable Alistair Burt, whose tireless efforts, and evidence to us, were so invaluable. His best legacy would be if the Government were to give a real strong helping hand to the efforts to resolve the conflict in Yemen, and give it the same priority that he always did.

5.34 pm

Baroness Coussins (CB): My Lords, I too am a member of the International Relations Committee and am grateful that we have been given the opportunity to debate this report so soon after its publication, given the urgency and extreme seriousness of the situation in Yemen.

I shall focus on just two issues. As the first is the position of women, I have just deleted several parts of my speech, not to repeat the words of the noble Baroness, Lady Anelay, with which I wholeheartedly agree. We know from various sources that women and children are, not surprisingly, bearing the brunt of the violence and its consequences, including starvation and the lack of healthcare. For example, the International

Rescue Committee reports that over a million women who are pregnant or breastfeeding are currently acutely malnourished. The UN has warned that the maternal death rate is likely to be double what it was in 2015.

Against this appalling background, the committee's report was able to record some impressive aid programmes being delivered by DfID; it goes without saying that these are more than welcome. For example, last September, Her Majesty's Government announced that almost £100 million would fund a nutrition programme, treating 70,000 children with acute malnutrition and providing antenatal care to 800,000 women.

I do not, however, want to focus on women solely in relation to their suffering in the conflict. I also wish to stress how important it is that women form an integral part of the peace process to resolve that conflict—an issue also raised by the noble Baronesses, Lady Amos and Lady Anelay.

In a recent Written Question, I asked what action Her Majesty's Government have taken, or plan to take, to ensure that the provisions of UN Security Council Resolution 1325 on the involvement of women in peace negotiations and post-conflict reconstruction are being fully complied with in the Stockholm agreement process aimed at ending the war in Yemen. The Minister provided an encouraging Answer, saying that the UK has indeed lobbied the parties in the conflict to include more women in formal peace talks and explained why—although, in the light of the observations of the noble Baroness, Lady Amos, we should perhaps be talking not about more women but about any women at all.

In addition, he pointed out that, through the Conflict, Stability and Security Fund, the UK helps to support the Yemeni Women's Pact for Peace and Security. I thank the Minister for this information. Can he update the House on any progress being made by Tawafaq, the Yemeni women's pact, especially in the light of the championing of its work by the UN humanitarian co-ordinator for Yemen?

Looking at other ways of increasing—or perhaps I should say achieving—the participation of women in peace talks, I draw the Minister's attention to the meeting a few weeks ago which members of the International Relations Committee held with the president and other members of the Southern Transitional Council of Yemen. He will know that the STC is currently excluded from the Stockholm process and I appreciate that there are dilemmas to be addressed. At the same time, it was clear that the STC has an inclusive attitude towards women and at its 2017 assembly agreed an explicit policy on women's rights. So can the Minister tell us the Government's current view on including the STC in official peace talks, with specific reference to the inclusion of women?

The second issue I want to raise, like most other noble Lords in this debate, is that of arms sales by the UK to Saudi Arabia. As others have said, we concluded in our report that we disagreed with the Government's view that the UK was,

“narrowly on the right side of international humanitarian law”, to quote the former Foreign Secretary. We also concluded that UK arms sales to Saudi Arabia are, “highly likely to be the cause of significant civilian casualties in Yemen”.

Since the report was published, further doubt still has been directed at Her Majesty's Government in this regard. The international NGO Saferworld has argued that the UK's assistance to Saudi Arabia in targeting strikes is potentially leading to more, not fewer, casualties, and that the UK is guilty of a lack of transparency in how decisions on arms licences are made, putting the UK out of line with several other European countries, which, as we have heard, now have a de facto embargo on arms sales to Saudi.

Does the Minister still stand by the Government's position that they are on the right side of international humanitarian law in this case? Secondly, echoing the question asked by the noble Lord, Lord Howell, will the Minister clarify how political approval for arms licences is reached? I look forward to his reply to my questions and those of other noble Lords.

5.40 pm

Lord Jopling (Con): My Lords, I am afraid that I was unwell in the week the committee had its hearing on the Yemen problem, but the report we are debating demonstrates extremely well the continued horrific situation in that part of the world. I congratulate the Government on bringing forward this debate so quickly. Many noble Lords have already referred to the detail of the horrific situation that confronts us. I will not enlarge on it—the widespread hunger and food shortages, the growing threat of disease, including cholera, typhoid and other maladies associated with the deprivations of this nature, the shortage of medicines, and, of course, civilian deaths as a result of military action.

A number of noble Lords have talked about the Stockholm agreement. It seems inadequate in meeting the crisis. Of course, we have always known that it was only the first step in the process of achieving a peace. In spite of it, the port of Hodeidah, contrary to all the intentions of the Stockholm negotiations, continues to be blocked as a conduit of food aid and other humanitarian assistance to the stricken 24 million people who comprise 80% of the population. I hope that, in spite of some pious hopes, we can see a little more evidence that there will be significant troop redeployments around the city of Hodeidah by the Houthi leadership to ensure full delivery of essential food and medicines to the beleaguered millions.

The Foreign Secretary referred a short time ago to the 50,000 tonnes of grain that sit in stores in Hodeidah and remain there as the millions starve. Following on from what the noble Baroness, Lady Smith, said, I hope the Minister will update us with the latest figures on relief supplies, especially food, entering the ports of Yemen—and Hodeidah in particular, which is much the most important—as well as on the movement of those items from the docks and the stores to where they are urgently needed. An update of that sort would be most welcome.

We have heard continually that there is no military solution, and we know what a divided country Yemen is. As a background to this, I hope noble Lords will remember that at the heart of the Yemen crisis lies the centuries-old rivalry between the Muslim factions of Sunni and Shia. I was in Riyadh not too long ago, where we met virtually all the key leaders, including

the King. We did not meet the Crown Prince because he had other distractions, with the President of China in town at the same time, so that was understandable. But I was struck that almost wherever we went in Riyadh we were regaled with tales of how dreadful and evil the Iranians were and of the malevolence of those in Tehran. Surprisingly, only once during our visit were we retold the familiar view of their attitude to Israel. Indeed, since that visit, there have been stories about very high-level visits by Saudis to Israel and suggestions that a visit could have been made by the Crown Prince himself.

So, it is this Saudi-Iranian rivalry that lies behind so many of the problems that confront Yemen. The frequent Houthi missile attacks on Saudi territory, around Riyadh as well as other places, must alarm us all. The situation could surely escalate, leading to a much wider conflict between the rival Islamic Middle Eastern states themselves. Hence, the UK Government must do everything in their power, and in the United Nations, to give full effect to the Stockholm agreement and then to move on to a wider settlement of this dreadful situation.

While I am not opposed to us selling armaments to the Saudis, I am alarmed at the committee's conclusion that they are, as it has been quoted,

“narrowly on the wrong side”,

of the law. The Government need to review this situation urgently and take steps to ensure that this accusation cannot be made and maintained. Especially, I ask the Minister to tell us what the situation is about our arms sales to Saudi and the United Arab Emirates, which is also actively engaged with the Saudis in Yemen. Is he satisfied that the UAE sales in particular are within the law?

I end by saying that the Saudi regime has continually told us that UK arms sales are compliant with the rules of international law. The chairman of the committee, my noble friend Lord Howell, I think referred obliquely to the problematic veracity of some of the things the Saudis say. I hope the Minister will tell us that whatever assurances we are given by the Saudis will be thoroughly examined for their veracity. We have had recent cases over the death of Mr Khashoggi that lead us to the conclusion that they do not always mean what they say.

5.48 pm

Lord Judd (Lab): My Lords, I am sure I speak for very many in expressing deep appreciation for this report from the Select Committee, which is setting a very high standard for hard-hitting, effective reports, repeatedly introduced so well and constructively by the noble Lord, Lord Howell. I am also greatly cheered to be sitting in front of my noble friend Lady Amos, who has more than proved herself by being there at the UN carrying so many heavy responsibilities and doing so positively and cheerfully. It is therefore very important to listen to what she has to say.

My noble friend emphasised the importance of will in this situation, as indeed have others. That is crucial. Without will, nothing effective will happen. It is always a matter of negotiation and policies, but these must be there as a means to fulfil the will, which is paramount. She also referred to the special envoy, as indeed have others. He has unstintingly done a heavy job, and

[LORD JUDD]

received great credit for how he has performed it. There have been some comments that the trouble with the Stockholm settlement agreement was that it was too general, and did not include enough specifics to pin it down. But if you have not had people around the table for years, you have to get something going. I am not sure I would join in criticising the approach that he took. It is incumbent on the rest of us to face the disappointing reality that in recent months the situation has deteriorated.

I was reading a report from the International Rescue Committee, which points out that other areas as well as Hodeidah have seen persistent clashes and air strikes, with heavy civilian tolls and damage to civilian infrastructure, reflecting a trend throughout the war. It also says that a hospital in the north-west of Yemen supported by Save the Children was reportedly hit by an air strike on 26 March, killing seven people, including four children. Figures from the Yemen Data Project suggest that SLC airstrikes have killed 8,338 civilians—1,283 of them children—and injured 9,391 others over the past four years. The IRC and others have also referred to the heavy toll and impact on women, which is striking. Women in pregnancy and lactating have paid a heavy punishment for what has been happening. We should take this very seriously indeed.

There has also been reference to the importance of women in negotiations. I share the clear frustration of my noble friend Lady Amos that no women were involved. There is no way we can build peace without the full involvement of women. This needs acute attention.

There has also been considerable mention of the arms issue. I am glad that the committee grappled with this so firmly. The remarks by the Government about remaining on the right side of the law are very defensive and unconvincing. We need a much more fulsome and honest debate about this. I am one of those who believes that it is one thing to have arms trade treaties—indeed, the European rules on the export of arms are a very important element backing up the Arms Trade Treaty—but it is not just about treaties. It is rather similar to the point about will. Are these minimal approaches? Is this Governments being able to say that we are within the letter of the law, or are they positive, dynamic proposals ensuring that our arms are not contributing to the ongoing suffering and conflict?

I am convinced that this is a deep cultural and economic issue in Britain which we have never faced under successive Governments—I plead guilty because I have been a Minister at the Ministry of Defence and at the Foreign Office. We have got to be honest with ourselves. Arms are dangerous—lethal—exports. In the volatility and instability of the world, of which Yemen is an acute example, they are particularly dangerous. We can never be absolutely sure about end use. This is one of the crucial issues that one has to pursue, whatever the good intentions. We might eventually say that arms may be necessary—they may be essential in certain situations—but are to be used only by our own services or by those in alliances of which we are a member for action which we specifically support and only ever for specific, positive purposes that we are convinced about. But when arms start reaching beyond

that, we are inviting deep humanitarian trouble. It is good that in the report, the NGOs and many others have drawn our attention to this. I want to place on record my admiration of DfID as a humanitarian agency working to such good effect. However, so much of that is threatened and undermined by the arms issue.

5.56 pm

Lord Alton of Liverpool (CB): My Lords, in the aftermath of António Guterres's assertion that Yemen is,

“the world's worst humanitarian crisis”,

the International Affairs Committee has provided the House with a succinct, brave and timely report. Yemen's victims are disfigured by grinding poverty, caught in a cycle of declining GDP, the collapsing Yemeni rial, accelerating food and fuel prices and, as the United Nations Office for Co-ordination of Humanitarian Affairs described in a recent report, it has,

“A higher percentage of people face death, hunger and disease than in any other country ... Eighty percent of the entire population requires some form of humanitarian assistance and protection ... Twenty million Yemenis need help securing food and a staggering 14 million people are in acute humanitarian need ... Ten million people are one step away from famine and starvation ... Seven million, four hundred thousand people, nearly a quarter of the entire population, are malnourished, many acutely so ... Two million malnourished children under five and 1.1 million pregnant and lactating women require urgent treatment to survive ... Conditions are worsening at a nearly unprecedented rate”.

In what is, increasingly, a breeding ground for the next wave of ISIS recruiting sergeants, it is reported that in western Yemen hidden landmines have taken the lives of 267 civilians, also claiming the lives of five charity workers who were demining the area. Aid agencies estimate a 63% increase in gender-based violence, 1.3 million suspected cases of cholera—the worst outbreak in modern history—with coalition airstrikes destroying water treatment facilities, crippling access to clean water. In a war crime warranting prosecution, five medical facilities run by Médecins Sans Frontières have been bombed since 2015. Despite the three-month-old truce in Hodeidah, according to UNICEF,

“At least one child dies every 10 minutes in Yemen from malnutrition and preventable diseases”.

In December, UNICEF reported:

“Over 6,700 children were verified killed or severely injured. Nearly 1.5 million children have been displaced, many of them living a life that is a mere shadow of what childhood should be. In Yemen today, 7 million children go to sleep hungry every night. Every single day, 400,000 children face life-threatening severe acute malnutrition and could die any minute. More than 2 million children are out of school; those who are in school often have to settle for poor quality education in overcrowded classrooms”.

As the conflict and the humanitarian crisis rage on, the estimated cost, as we have heard during this debate, has reached staggering sums of billions of dollars. In evidence to the committee, the then Minister Alistair Burt—an old friend of mine—described Iran's and Saudi Arabia's,

“huge existential fears for their states”,

but, as the report says, he also said that,

“Opponents of the Saudi-led coalition had used a ‘very easy narrative’ that had ‘misunderstood the nature of this conflict’”.

He insisted that the UK was, “not a party to the military conflict as part of the coalition”, but this is a very elastic definition. Last week, as we have heard, national newspapers reported:

“Members of the Special Boat Service ... were shot while fighting in the Saadah area in the north of the country”.

How is that not taking part in the military conflict?

However, it is far worse than that. Over four years, the coalition has carried out over 19,000 air strikes—one every 106 minutes. In 2019, the UN panel of experts on Yemen said that precautionary measures to protect civilians are “largely inadequate and ineffective”. The UK has provided training in targeting weapons, along with liaison officers at Saudi headquarters, resupplied Saudi air capability and provided technical maintenance and spare parts. We have licensed £4.7 billion of arms exports to the Saudis, along with a further £860 million of arms to their coalition partners. As only second to the United States in arms sales to Saudi Arabia, we have stoked the fires of this conflict by selling arms to a country which has exported terror and ideology. We have acted as quartermaster to the conflict and then save our consciences by boasting about how much aid we have given to the suffering people of Yemen.

Although Ministers have played a constructive role in promoting United Nations Security Council Resolution 2451 and encouraging the work of the admirable Martin Griffiths, special envoy of the United Nations Secretary-General, in brokering the Stockholm agreement our own credibility in this process is damaged when, as the report says, in their licensing of arms sales to Saudi Arabia the Government are “narrowly on the wrong side” of international law,

“given the volume and type of arms being exported to the Saudi-led coalition”.

The report goes on to say that these sales,

“are highly likely to be the cause of significant civilian casualties in Yemen”.

When he comes to reply, I hope that the Minister will respond to the call of the 25 Yemeni and global NGOs which have called on Germany to extend its moratorium on arms sales to Saudi Arabia, and tell us whether he is comfortable that we have not done the same. The UK’s response and that of France—countries which both produce arms that require parts and components of German origin—has been for the UK to actively lobby Germany to lift its moratorium. This demonstrates again how we are stepping over the line, and it risks weakening international standards for arms control. Indeed, it may violate our obligations under the Arms Trade Treaty including:

“Respecting and ensuring respect for international humanitarian law”,

and preventing human suffering. I might add that, as we heard from the noble Lord, Lord Hannay, the US Congress has voted to suspend arms sales to Saudi Arabia for use in Yemen—although the White House has signalled that, if necessary, it will veto this.

Knowing of the attacks on civilians and atrocities in Yemen while still providing the weapons to Saudi Arabia makes Her Majesty’s Government complicit in those atrocities. Your Lordships may recall that both Yemen and Saudi Arabia are accused of having committed

war crimes; hence, Her Majesty’s Government could fall within the ambit of complicity. Contrary to Yemen and Saudi Arabia, Her Majesty’s Government are subject to the International Criminal Court, and Ministers should urgently seek the advice of the Government’s law officers on this matter. If they seriously want to see an end to the carnage and suffering in Yemen, the Government should immediately end their complicity in this disgraceful business and make it clear that this appalling campaign of killing is not to be conducted in our name.

6.03 pm

Viscount Waverley (CB): My Lords, the noble Lord, Lord Alton, has vividly set out the case that enough is enough. The horrendous number of deaths and casualties, the displaced and the lack of access to drinking water are an absolute catastrophe. As the Minister so rightly once said at the Dispatch Box, one death is one death too many.

The Saudi-led coalition’s goals remain elusive, and, while conditions on the ground deteriorate, with the humanitarian situation worsening and disease spreading, the Houthis are more entrenched, with Iranian influence growing. Good-faith negotiations on long-term political and security arrangements, with support from Secretary Pompeo for UN-sponsored talks, are welcome, but it is concerning that the December confidence-building measures contained in the Stockholm agreement for a ceasefire in the port city of Hodeidah, along with an end to the siege of Ta’izz and prisoner exchanges, faltered. Some suggest that consideration of moving forward with a more detailed road map might have been usefully addressed to assist the Stockholm process advancing.

UN special envoy Griffiths has cultivated a relationship of trust with the Houthis, which is a major asset. It will require herculean Houdini-like abilities for the United States to express itself as an ally of Saudi Arabia and in parallel manage Iran, when the Administration’s agenda is to instigate regime change in Tehran. The United Kingdom’s reputation is also tarnished by the continued supply of arms to Saudi Arabia, defying comprehension. More particularly than ever, our future policy should be to play our cards as an honest broker.

Reputational damage is enhanced when we do not take account of Germany, Spain and Denmark, supported by the European Parliament, encouraging the suspension of the supply of arms to Saudi Arabia. Is the US requesting us to continue with that supply of arms? Did I understand correctly that Foreign Secretary Hunt had requested that Germany continue the supply of weaponry and spare parts? If that was the case, by what reasoning was this request made? The Minister should offer a robust explanation of why the United Kingdom continues with this practice.

It would appear that the UK-Saudi relationship is to be placed in the spotlight, with Channel 4’s “Dispatches” airing this evening. To state that the Saudis’ continuing bombardment is an image disaster for Saudi Arabia would be an understatement. I suspect that Saudi Arabia will stop the air strikes only when the United States indicates that continuation will adversely affect the relationship between the two countries.

[VISCOUNT WAVERLEY]

Then there is the question of Iran. If it is believed that Iran is part of the solution to the misery and it believes it can contribute, then engagement with that country is mandatory; however, if you think that Iran is part of the problem, a solution must be arrived at. I am pleased to observe that the Iranian political attaché has taken an interest in our proceedings by attending this debate.

With their military takeover in 2014, the Houthis are under the influence of Iran, but the report of the International Relations Committee concludes only that, “it is known that there is some relationship between the Houthis and Iran”.

It continues that it was a matter,

“of academic difference as to the degree of that control, but our assessment is that the Houthis are very independent minded” —

and so it went on. Iran is often figure-pointed as the origin of the supply of missiles. The report noted that when the Houthis captured Sanaa they assumed control of Yemen’s stock of missiles, which included weaponry from the former Soviet Union and North Korea. How certain is the Minister about the reports that the missile attacks on Riyadh emanate from Iranian supplies?

I applaud Foreign Secretary Hunt’s past visit to Tehran and the talks conducted in Muscat. The committee’s report drew attention to Iran being in the sphere of influence but did not refer to E4 meetings with Iran about Yemen. It is important to Iran that it does not consider itself neglected. The UK has more experience than most in the affairs of the Middle East and we should not compromise our continuing ability to engage, now and in the future, with the two regional powers. Will the UK provide a draft of a statement at an upcoming meeting in Jordan, and will the Minister confirm that he anticipates it being couched in balanced and neutral terms?

Mr Griffiths, to whom participants and observers have paid tribute, has not yet visited Tehran, I believe. He might wish to consider doing so, particularly as Iranian influence in Yemen is growing significantly. This becomes more critical as Shiites in other countries embrace the Houthi cause as part of what they see as a larger struggle against Sunni predominance. With all that said, as the report rightly points out, it is for Yemenis to determine their political future. Peace must be restored but not imposed.

On a more personal note, I remember well my visits to Yemen over the years. It is a beautiful country, reminiscent to me of Arabia of old. This whole affair is tragic, and another example of where the innocent suffer with diplomacy faltering. An outcome that would not be in the interests of the West but has been seen elsewhere in the region is for additional external players to weigh in.

6.10 pm

Lord Purvis of Tweed (LD): My Lords, following the powerful contributions from the noble Viscount, Lord Waverley, and the noble Lord, Lord Alton, on the humanitarian situation and their personal reflections, the noble Lord, Lord Luce, on the geopolitical situation, the noble Baronesses, Lady Amos and Lady Anelay, on highlighting the failings of a process that is actively

excluding the majority of people, women—I will touch on that later—and the noble Lord, Lord Judd, there are limited areas on which I can make an original contribution to this debate. It has been very powerful, even if it has been brief. I have the pleasure, as do others, of serving on the committee so ably chaired by the noble Lord, Lord Howell, and I concur with all of the contributions from my colleagues on the committee today.

I direct the House to my entry in the register of interests. Yesterday afternoon, I returned from a two-country visit to the Middle East. It was said to me then, as others in this debate have remarked, that we have lost with his resignation a Minister who is widely respected, not only in this House but, more importantly, in the region. A week on from his resignation, it is depressing to see there is no Minister for the Middle East to replace him in the Government. It is not acceptable that the Middle East is now covered by a Minister extending the scope of Africa and a Minister extending the scope of Asia. I hope the Minister will give the positive response that the Prime Minister will appoint a Minister for the Middle East as a matter of urgency.

I want to address the first element on which many noble Lords have commented, our arms and defence relationship with Saudi and the UAE. Any reader of the FCO website on GOV.UK will see two articles. The first has the headline:

“Britain has been shaping the world for centuries. That won’t change with Brexit”.

That is immediately followed by:

“Yemen crisis won’t be solved by UK arms exports halt”.

There is a jarring visual element to reading the articles by the Foreign Secretary, not just from looking at the website. I commend the Foreign Secretary for visiting the region, taking a strong special interest in this and supporting Michael Aron, our ambassador for Yemen, and his excellent team based in Amman, who are doing hard work.

The article by the Foreign Secretary said that the “strategic relationship”, by which he means our arms and defence relationship,

“allows us the opportunity to influence their leaders”,

by which he means Saudi Arabia and the UAE. He wrote that, if we stop this relationship, our position would be “morally bankrupt” and we would be bystanders. He gives the impression—in fact he states—that Stockholm would not have happened and we would not have the peace process. That is a regrettable article and it undermines some of the humanitarian work that the UK has provided in that area. As we heard from the noble Lord, Lord Hannay, it jars with the position of Germany and the United States Congress.

If countries buy over £5 billion of work from us, most objective people will wonder who provides the influence. Is it the seller or the buyer? There are questions on not just the use of the armaments that we sell but also, as the noble Lord, Lord Alton, has said, on the down-the-line impact of the training on those weapons and targeted training, and the deeply ingrained relationship we have. It is right for the committee, if not to say it explicitly, to ask for a serious and urgent reconsideration of our defence relationship, given this conflict.

I declare an interest in that I chair the UK board of Search for Common Ground, which has worked in Yemen since 2010, with consistent and active programming throughout the conflict cycles, not only of the last four years, but the last nine years. It has active projects running across seven different governorates, in both north and south, covering stabilisation, countering a culture of violence, conflict sensitivity among the humanitarian sector and trying to support the national peace process. In addition to the UK Government, work there has been supported by diverse UN agencies, USAID and the foreign ministries of the Netherlands and France, among others, showing that it is an international area of consistency. It is also an international shame that this crisis can still exist in the 21st century.

I commend the UK, however, for its government support and humanitarian aid delivery. I would like to see the Government moving beyond a do-no-harm approach to humanitarian assistance and more into the development sphere. From the many visits I made to northern Iraq when Mosul was occupied by ISIS, I saw that insufficient consideration of good governance work post peace process means that those who have been most affected will not be involved in the long-term reconstruction and rehabilitation of communities.

Other noble Lords have mentioned the three-phase process of the UN envoy. Phase one is the redeployment of forces away from Hodeidah. Phase two is a prisoner exchange, which is complex, as I understand there are high-value prisoners from the Saudi side. We know from the situation in Northern Ireland over many years that prisoner exchange is a highly charged and problematic issue. Perhaps we can offer some good lessons on the second area of prisoner exchange. The third phase is for a joint committee for Taiz which, I hope, will meet soon to agree a peaceful way forward.

As indicated by the noble Baroness, Lady Amos, and others, the confidence process is one of incremental stages. If it does not create a degree of momentum, which can be buffeted by wider political considerations of other partners, including Saudi Arabia and Iran, it will be hard to consider what progress is. It would help if the Minister can say what areas of progress the Government consider are sufficiently robust to reassure both sides that there can be movement to the next stage of the peace process.

It is worth putting on record the good offices of the Omani and Jordanian Governments, but I also return to the point mentioned so powerfully by the noble Baroness, Lady Anelay, and others. Over recent years, we have seen the negative impact, both in Iraq and Libya, of processes that exclude women. This does not have an academic element, nor is further research needed. We know for a fact that the majority group has been excluded and that these peace processes are less robust because of it. Even in the last week in Amman, an event took place in which no women participated, contrary to the UN principles indicated by the noble Baroness, Lady Coussins. It may be time for the UK to say to the United Nations that an empty-chair approach could be necessary until women are actively part of the process.

As Mark Lowcock indicated, 24 million people need assistance. A population the size of London will be hungry tonight in that region, and we consider

most of those victims to be women. It is simply not acceptable anymore, in how we go about our diplomacy and peacebuilding work, that women are considered a group that deserves to be consulted but not to participate. I hope the Minister says that our approach to look for an opportunity for the participation of women in this peace process before Ramadan will start to see some urgency.

6.19 pm

Lord Collins of Highbury (Lab): My Lords, I too thank all members of the committee for this excellent report, and the noble Lord, Lord Howell, for his powerful introduction. Since UN Resolution 2216 the UK, alongside the US, France and others, has consistently supported the war aims of the Saudi-led coalition and has continued to authorise the sale of arms to Saudi Arabia and its partners for use in the conflict. My noble friend Lord Judd referred to the independent Yemen Data Project and it is important to note its analysis, according to which there have been 18,000 air strikes on Yemen since the start of the conflict up to April 2018. It found that roughly one-third hit civilian targets, one-third hit military targets and one-third hit targets of unknown designation. A UN expert panel report released last September said that all sides in the conflict may have committed breaches of international humanitarian law.

As we heard so powerfully in the debate, as a result of the conflict and the Saudi blockade, Yemen has been sinking deeper into a humanitarian crisis. Your Lordships' committee rightly concluded that the situation is "unconscionable". This side has long called for all UK arms sales to Riyadh to be suspended because of the evidence of breaches in international humanitarian law in the conflict. The Government argue that it is "on the right side" of IHL because of the Saudi-led coalition's processes for investigating possible errors. As the noble Lord, Lord Alton, reminded us, your Lordships' committee said that the Government are, "narrowly on the wrong side".

As we heard from the noble Lord, Lord Howell, its conclusion on the likelihood of civilian casualties was based on the volume and type of arms being sold by the UK to Saudi Arabia.

As we heard, the UK has licensed more than £4.7 billion-worth of arms to Saudi Arabia, and £860 million-worth to its coalition partners, since the conflict in Yemen commenced. We are the second-largest exporter of arms to Saudi Arabia after the US and, as we have heard, the fifth-largest donor of humanitarian aid. This year we have committed an additional £200 million of aid, bringing our total commitment to more than £770 million since the conflict began. As the noble Lord, Lord Howell, said, it is that contradiction which the Government must address as a matter of urgency, and I hope that the Minister will respond specifically to his question.

Last Tuesday, my right honourable friend Emily Thornberry, shadow Foreign Secretary, asked an Urgent Question in the other place, following press reports at the weekend that members of British Special Forces were engaged in gun battles with the Houthi rebels in Yemen while providing support to the coalition forces.

[LORD COLLINS OF HIGHBURY]

One disturbing allegation in the *Mail on Sunday* report was that our forces were providing support to locally recruited, Saudi-funded militia and that many of the fighters—up to 40%, it was alleged—were children as young as 13 years old. If these allegations are true, it would confirm that our forces were not just party to this conflict but witnesses to war crimes. In response, Mark Field said in the other place:

“I am keen that we get to the bottom of those allegations”.—
[*Official Report*, Commons, 26/3/19; col. 187.]

In a subsequent letter to Emily Thornberry on Friday, he wrote:

“We have an ongoing defence engagement relationship with Saudi Arabia which includes training courses, advice and guidance. However, we are not a member of the SLC and do not have any role in Coalition policy. We are committed to supporting the legitimate security needs of Saudi Arabia, including defending itself against ballistic missiles fired by Houthis into civilian areas, and guarding against the danger of regional escalation. To this end UK personnel are involved in providing information, advice and assistance to Saudi Arabia on mitigating the threat from Houthi missiles as well as assisting them in other areas including on measures to support compliance with International Humanitarian law”.

He said that,

“the UK’s position on child soldiers is categorical ... We raise allegations of human rights abuses or violations of IHL, including the use of child soldiers, with all parties to the conflict in Yemen. We have been clear that all parties must comply with IHL”.

Have the Minister or the Government been given evidence of breaches of international humanitarian law by Saudi coalition forces from British sources? That was raised by the committee. If we have been, how does he think we should meet our international treaty obligations? Surely we must act on such evidence, and we should all condemn the failure to do so, as we have heard in the debate.

My noble friend Lady Amos—I too pay tribute to her work at the United Nations on the humanitarian fund—highlighted that we are all concerned at the fragility of the agreement reached in Stockholm. On this side we welcome the steps that the Government have made through the UN to bolster the team in Hodeidah charged with overseeing that agreement. What difference does the Minister expect that increased force to have on the ground? Are we shoring up the peace, as we hope we are?

I conclude by saying that peace will not be won on the battlefield, as the noble Lord, Lord Hannay, said. We all want the Stockholm agreement to succeed, but if it does not—if we are back to square 1 in terms of ending the war and the humanitarian crisis—will the Government consider bringing forward a new United Nations resolution requiring a nationwide ceasefire, with robust penalties against all parties who breach it?

6.27 pm

The Minister of State, Foreign and Commonwealth Office (Lord Ahmad of Wimbledon) (Con): My Lords, I thank all noble Lords who have participated, particularly my noble friend Lord Howell for securing this debate on the conflict in Yemen and for his long-standing commitment to the subject, not just as chair of the International Relations Committee but in his engagement and involvement with the field of foreign affairs. The Government welcome the committee’s report and

thank it for its detailed examination of the issue. I am especially grateful that we have been able to have this debate before the formal response from the Government. As ever, I am grateful for the insight and expertise that noble Lords have provided.

I assure noble Lords that achieving progress in Yemen is a top priority for the UK. That is why my right honourable friend the Foreign Secretary visited Yemen earlier this month. I am sure many noble Lords acknowledge his shuttle diplomacy. It is why he also attended the Stockholm peace talks in December, and why we are using our unique position—as the noble Lord, Lord Hannay, with his deep insight into the United Nations, reminded us—as penholder at the UN Security Council to find a way to end this devastating conflict. As Minister for the United Nations, I acknowledge the importance of our role.

Before I go into the report itself, I shall first address the concerns raised by the noble Lord, Lord Collins, in particular, regarding recent media reports of the involvement of UK military personnel in Yemen and the use of child soldiers in conflict. I hope noble Lords will recognise that I cannot comment in detail on specific deployments, but I can clarify that a small number of British personnel are working in a liaison capacity in Saudi headquarters. They are not, as some have suggested, based in so-called command centres. British personnel have no role, to repeat what my right honourable friend said in the other place, in setting coalition policy or executing air strikes in Yemen.

The noble Lord, Lord Collins, also raised the issue of child soldiers. I reassure the noble Lord that the Government give priority to this matter. He will no doubt recall, as will other noble Lords, that the office of United Nations special representative Virginia Gamba is funded by Her Majesty’s Government. I continue to work very closely with the special representative on this issue. I assure all noble Lords that our position on the recruitment and use of child soldiers is clear and unequivocal: it is simply unacceptable. We condemn it, and I assure the noble Lord that we are committed to ending it in all circumstances. If we have reports to this effect, we will continue to raise the issue vigorously with all parties concerned.

Unfortunately, regrettably and tragically, this is not the first time we have heard reports of child soldiers being used in the Yemen conflict. The UN group of eminent experts found that the Houthis had also forcibly recruited children—some, tragically, as young as eight—in schools and hospitals, and had used them in combat and to plant explosive devices. We raise our concerns about this with all parties to the conflict in Yemen, as I have said, and I can state as Minister for Human Rights that our officials also raised the use of child soldiers as a key issue in the last universal periodic review of Yemen.

I turn to the specific recommendations of the report and the issue of arms exports raised by several noble Lords, including my noble friends Lord Howell and Lord Jopling, the noble Lords, Lord Hannay and Lord Alton, and the noble Baroness, Lady Coussins. The Government do not accept the report’s assertion that our actions on arms exports are,

“narrowly on the wrong side”,

of the law. The UK will not export items if there is a clear risk they may be used in a serious violation of international humanitarian law.

I assure my noble friend Lord Jopling, among others, that all export licence applications for Saudi Arabia are assessed rigorously on a case-by-case basis, using much fuller information than is available to others. In addition, to answer my noble friend Lord Howell, we have provided training and advice to support Saudi compliance with international humanitarian law. We also regularly raise the importance of compliance on this issue directly with the Saudi Arabian Government and other members of the coalition.

My noble friend asked what tests and factors we apply. In the interests of time, I will write to him specifically on this but, to give an insight, our forward-looking assessment looks at the situation in the round. We include: Saudi attitudes to compliance with international humanitarian law; how the key principles of international humanitarian law such as military necessity, distinction and proportionality are implemented; how incidents of concern are investigated; and, importantly, how those responsible are held to account and how lessons are learned. My noble friend will be aware that, in response, the Saudis set up the Joint Incidents Assessment Team on 29 February 2016. The Saudi Arabian Government have also publicly stated that they investigated reports of alleged violations using this vehicle, and that they act on lessons learned. To date, the assessment team has made over 100 statements from its investigations.

I assure noble Lords once again that the UK Government continue to review all arms exports and take our arms export control responsibilities very seriously; we remain confident that our arms exports are consistent with our licensing obligations. To be absolutely clear, particularly to the noble Lord, Lord Hannay, we continue to raise these issues regularly and will continue to review all applications according to these criteria.

Turning to humanitarian aid, I am grateful to all noble Lords who have raised the important role played by DfID and Her Majesty's Government in this regard. I share totally the sentiment of noble Lords that this is a tragedy beyond all scope; anyone who has visited, reviewed or been involved with the crisis in Yemen—seeing children deprived of vital food and medicine—will know it to be heart-rending. I am therefore proud of the role the United Kingdom Government are playing. I assure the noble Baroness, Lady Smith, that, for Her Majesty's Government and the Foreign Office, this will remain at the forefront of our priorities on the world stage, notwithstanding the domestic issues of what is happening with Brexit and the Foreign Secretary's recent engagement. I returned from another United Nations meeting on important issues regarding peace-keeping and the role of women, which I will come on to, only last week. My travel schedule probably reflects the fact that this will remain a high priority on the world stage.

The noble Baroness was quite right to ask for reassurance that aid is reaching those in need. The statistics cited on Hodeidah and Saleef concern the aid that has been delivered, but I fully acknowledge that there is a real challenge in the distribution of aid within the country. The noble Lord, Lord Collins,

asked about additional support; that is why additional support is going in. The UK has a zero-tolerance policy on the diversion of UK aid funds, and all the UK Government's partners and programmes are subject to rigorous and regular due diligence. However, I fully admit that this remains a major challenge for all Governments, not just the United Kingdom. We will continue to work with all parties to ensure that this happens. This concern about how we are ensuring the distribution of aid was also expressed by my noble friend Lord Jopling. At the moment we are working stringently with the UN and NGO partners to ensure that we get full reports of any delays in accessing necessary permits and agreements to deliver vital assistance. I will continue to inform the House regularly on how this situation is unfolding.

At the UN's Yemen pledging conference in February, we committed an additional £200 million of support for the next financial year. The noble Baroness, Lady Amos, asked about its distribution, which will start shortly; this figure will build on the aid that has already been distributed from our previous year's commitment. As noble Lords have acknowledged, this takes the overall commitment of the UK to Yemen to over £770 million since the conflict began in 2015. Our support will continue to focus on providing life-saving aid to millions in a country where a staggering 80% of the population are now in need of direct humanitarian assistance. I pay tribute to the work of the noble Baroness, Lady Amos, in this regard; I will continue to look to her deep insight and expertise as we provide support and assistance on this programme.

As my noble friend Lady Anelay also mentioned, the conflict in Yemen has further exacerbated the vulnerabilities faced by women and girls. It is unacceptable that the number of incidents of gender-based violence, for example, have reportedly risen by more than a staggering 60% since the start of the conflict. The UK fully supports women and girls across Yemen through our funding of the United Nations High Commissioner for Refugees and the International Organization for Migration. My noble friend is absolutely right; women have to be involved at the table—not in some corner room or a room in some remote part of a conference centre or hotel. They must be present. As the noble Baroness, Lady Amos, rightly pointed out, they have been absent. This was a key area of focus at the UN Commission on the Status of Women recently, where I represented and led the delegation. We continue to implore both parties through the good offices of the special envoy to ensure that women play their rightful role at the heart of conflict resolution. It is not an option. It is a necessity, and we will play our part to try to make it happen.

I also assure noble Lords that we are working with special envoy Martin Griffiths. In acknowledging his work in this respect, we ensure that his priorities in support of the initiatives we have already set up, such as those acknowledged by noble Lords, including the Yemeni Women's Pact for Peace and Security, continue to be strengthened. We are also extremely concerned about the recent increase in cholera cases, and are working closely with all levels of the UN response, which is currently being scaled up to the 38 most affected districts in Yemen. Last year the UK contributed

[LORD AHMAD OF WIMBLEDON]

25% of the costs of the first ever cholera vaccination campaign in Yemen through our funding for the global Vaccine Alliance. We will continue to prioritise these schemes as we support humanitarian efforts across the country.

The committee report also recommended a further UK contribution to the UN, including support for the UN verification and inspection mechanism, or UNVIM. I can confirm that we will provide a further £1.3 million to UNVIM this year to support its work in facilitating commercial imports into Hodeidah and Saleef ports and ensuring that weapons are not smuggled in on commercial ships. We have also deployed UK experts to Djibouti, whose presence has increased the number of ship inspections more than tenfold. This has helped to stabilise the level of vital imports going into the ports of Hodeidah and Saleef. In February, for example, the total commercial and humanitarian imports into Yemen met 114% of the country's monthly food needs. However, I totally acknowledge that distribution is a vital part of that—it is not just about getting it through the ports but about ensuring that it is distributed.

Noble Lords, including the noble Lord, Lord Luce, and my noble friends Lady Anelay and Lord Jopling, raised the important issue of the political process. We note that the committee called on the Government to redouble our diplomatic efforts to achieve peace. I assure noble Lords that we continue to believe—as all noble Lords have pointed out, particularly the noble Lord, Lord Hannay—that a political settlement is the only way to address the worsening humanitarian crisis and bring long-term stability to Yemen. Important progress has been made in this regard. The December talks in Stockholm were a landmark—the first time the parties had come together in over two years. The significance of that cannot be overestimated. The ceasefire in Hodeidah has largely held; challenges remain, but it has led to a significant reduction in military activity across the governorate.

I assure noble Lords that we continue to engage with all parties. The noble Viscount, Lord Waverley, raised the issue of keeping dialogue open, not just with the Kingdom of Saudi Arabia and other parties, including the Houthis, but directly with Iran. I stress that Her Majesty's Government continue to engage in relationships across the piece to ensure that all parties to the conflict are engaged and play their part in bringing a resolution to it. I also assure noble Lords that there has been sustained British diplomatic effort in support of the political process at both ministerial and senior official level, including urging parties to refrain from provocative action in Hodeidah and to maintain the ceasefire.

The noble Lord, Lord Alton, rightly raised the unfolding issue of the humanitarian crisis. I assure him that our diplomatic efforts are beginning to pay dividends. The situation is vulnerable and still fragile, but we are encouraged by recent steps that have been taken, at least with regard to the increase in humanitarian aid on the ground in Yemen itself.

This year, visits to the region have been made by my right honourable friend the Foreign Secretary, and the former Minister for the Middle East and North Africa, my good friend and former colleague in government,

the right honourable Alistair Burt. I join the tributes that have been made from across this House and elsewhere to the unstinting work, focus, dedication, application and expert knowledge that he has shown in the discharging of his duties. He is a colleague and friend who will be sorely missed, and, as someone who led several initiatives in the Middle East, his expertise and insight were vital. I hope that, whatever prevails, in the near future we will see him return to the Government Benches.

I assure noble Lords, particularly the noble Lord, Lord Hannay, whose insights on the UN I always welcome, that we continue to use our seat on the UN Security Council to good effect. Indeed, following the Stockholm agreements, we recently put forward proposals for a mandate to establish a UN mission in support of the Hodeidah agreement. Our work at the Security Council on resolutions has galvanised international support, and it was no small feat to get unanimity behind those resolutions.

I assure noble Lords that the Government have also carefully considered the committee's recommendation, raised by my noble friends Lady Anelay and Lord Howell and the noble Lord, Lord Hannay, to appoint a London-based special representative on Yemen. At present, in light of my right honourable friend the Foreign Secretary's personal efforts to advance peace in Yemen, it has been decided not to make such an appointment, but we will keep the situation under continual review.

The noble Baroness, Lady Coussins, asked about the Government's position on southern inclusion. Governance arrangements for southern Yemen are ultimately a question for the Yemeni people, but I assure the noble Baroness that the UK's position on southern inclusion is clear: their voice must be heard to ensure lasting peace in Yemen, and the UN special envoy has publicly acknowledged this important role. He has advised his office to help to support the work by including all southern groups, including, as the noble Baroness rightly noted, the STC.

In conclusion, I am extremely grateful to all noble Lords for their contribution. The noble Lord, Lord Judd, gave his perspective. I know that he believes strongly in the attributes of the United Nations, and I listened carefully to his words. On the sentiments raised with regard to arms sales, I assure noble Lords that we take that seriously. I strongly believe that the committee's report is both timely and important, and we will certainly take note of the contributions made in this debate to ensure that they are also reflected in the formal government response.

I assure noble Lords that the UK is doing all we can to bring parties to the table, to sustain the delivery of humanitarian and fuel aid into Yemen and, ultimately, to find a way to end this devastating conflict. We are at the forefront of diplomatic efforts, including at the UN Security Council, to find a political solution to the conflict—as I know from direct experience—and we are leading on the humanitarian response. I assure all noble Lords, and indeed everyone across this House and the other place, that we are putting our full weight behind the work of the UN special envoy Martin Griffiths—to which I pay tribute—and the UN-led peace process. We are constantly engaging with him to

ensure that our efforts are aligned, and we will continue to show leadership as part of international efforts to end this appalling conflict, which has gone on for far too long and has caused millions to suffer.

6.46 pm

Lord Howell of Guildford: My Lords, it only remains for me to express my warm gratitude to all noble Lords who have taken part in this short debate, and I express gratitude to the Minister for his summing up and customary skilled handling of what is undoubtedly a difficult situation, full of grave dilemmas and indeed tragedies. Several of us have expressed sorrow that Alistair Burt has gone; this seems to happen rather often nowadays, but no doubt he will return. I also thank the members of my committee, not only for their speeches but for their enormous expertise and experience, which quite often out-trumps some of the experts sent to brief us—that requires careful handling at times.

I am particularly grateful that the noble Baroness, Lady Amos, was able to join us today—we all admire enormously what she has done at the United Nations. I always admire the remarks of the noble Lord, Lord Judd, on the world arms situation, which he gave today. We got a sharp and devastating position from the noble Lords, Lord Alton and the noble Viscount, Lord Waverley, which added to the spice of our debate. The noble Lord, Lord Luce, said that the bigger issues behind all this—the Saudi-Iranian and Sunni-Shia rivalries, and the thousands of tribes fighting against each other—create an impossible context.

Finally, I think it was President Obama who once observed that he had been briefed that “everything in the Middle East relates to everything else”. The whole thing is a gigantic, connected puzzle of difficulty, tragedy and turmoil. We cannot solve all this, but the message from this afternoon’s debate to the Minister, if I may say so, is perfectly clear: the position needs constant and rigorous attention so that it does not get out of balance. It is not quite right in the public view, and there are horrors and dangers here; we are doing our best to meet the horrors, but are we doing our best on the political, strategic and trade sides to make sure that this conflict does not burn up into a dreadful horror in the Middle East, which it might yet do? Again, I thank all noble Lords involved in the debate.

Motion agreed.

Brexit: The Erasmus and Horizon Programmes (European Union Committee Report)

Motion to Take Note

6.49 pm

Moved by Lord Jay of Ewelme

That this House takes note of the Report from the European Union Committee *Brexit: the Erasmus and Horizon programmes (28th Report, HL Paper 283)*.

Lord Jay of Ewelme (CB): My Lords, the committee’s report on Erasmus and Horizon was published on 12 February, so it has not yet received an official

government response. None the less, due to the interest and concern among the public and in this House about the potential impact of Brexit on participants in the Erasmus and Horizon programmes and on the UK’s research and education sectors, I hope that Members of the House will understand why the committee wanted to bring this report to the House for debate now.

The report was drafted following agreement by negotiators on the withdrawal agreement and political declaration in the closing weeks of last year. It therefore considers the implications for UK participation in Erasmus and Horizon of leaving the EU under the terms of the withdrawal agreement compared to a no-deal scenario. Despite the turmoil at the other end of the Palace at the moment, the withdrawal agreement remains the only negotiated deal on the table, and the Prime Minister has certainly shown tenacity in sticking with it.

The inquiry found that, if the withdrawal agreement, or one with similar provisions for UK participation in EU programmes, were to be ratified, our involvement in Erasmus+ and Horizon 2020 could continue largely unchanged until both programmes draw to a close at the end of 2020—an encouraging conclusion, but the end of 2020 is alarmingly close. In a no-deal scenario, which cannot, alas, be ruled out, the situation would be much trickier. At the time our report came out, the Government had said that they wanted to preserve access to both programmes and had issued a guarantee to underwrite funding for UK participants until the end of 2020. This guarantee was, however, contingent on the EU agreeing to continue UK participation as a third country. It was also unclear how the Government intended this guarantee to operate in practice.

Since that time, the EU has pressed forward with its own no-deal contingency plans. For Erasmus, the EU has agreed that Erasmus+ placements active at the point of a no-deal Brexit can continue up to a maximum of 12 months. It is unclear how this would be administered and what advice and support is being offered to UK Erasmus participants. There is no equivalent contingency measure for Horizon 2020. The EU has, however, published a proposal to maintain the UK’s eligibility to receive funding from EU programmes for agreements entered into before the withdrawal date in a no-deal scenario. If adopted, this proposal should ensure that UK research projects, including those funded by bodies such as the European Research Council and Marie Skłodowska-Curie actions, which are not open to third countries, could continue to be financed in 2019. This is subject to the condition that the UK commits to contribute to the financing of the EU 2019 budget and agrees to EU controls and audit requirements. Will the Minister confirm that the Government intend to fulfil those conditions and so avoid disruption for UK beneficiaries of EU spending programmes in a no-deal scenario? I should be grateful if he would also confirm how such a system would be administered.

Whatever the terms of the UK’s withdrawal from the EU, it is in our mutual interest to preserve current close levels of UK-EU co-operation on research and innovation to provide opportunities for young people and teachers to study, work and train abroad. The inquiry found—no surprise, perhaps—that the UK is a respected and important partner in the Erasmus and Horizon

[LORD JAY OF EWELME]

programmes. It is a popular destination for students from the EU and a world leader in research, with an exceptionally strong science base. It is clear, however, that the benefits of UK participation in these programmes do not flow only one way and that their value cannot be measured simply in financial terms. The inquiry received 50 evidence submissions, as well as oral testimony, and witnesses were unanimously positive about the impact of Erasmus and Horizon on the United Kingdom.

In the first two years of the current programme, Erasmus+ supported nearly 5,000 UK projects and 128,000 UK participants took part in internal exchanges. Although best known as a mobility programme for university students, Erasmus+ also supports study, work and training placements in vocational education and training, adult education and schools. Witnesses to the inquiry called Erasmus,

“an overwhelming force for good”,

and,

“one of the most important achievements of the EU”.

For participants, going on an Erasmus placement leads to better employment outcomes, increased confidence and independent thinking and greater cultural awareness. There are also wider positive implications for the UK including “tangible economic benefit” from international students and higher standards of education resulting from international collaboration, shared innovations and best practice.

Equally important, Erasmus helps to increase opportunities for people from disadvantaged or under-represented groups. Time and again, throughout the inquiry, we heard how much they gain from outward student mobility and how much they would lose if the UK loses access to Erasmus as a result of Brexit.

As for Horizon 2020, the UK has been the second most successful country in terms of funding received and the most successful in terms of participant and co-ordinator numbers. According to statistics published just last week, the UK was the most successful country in the most recent funding round of the European Research Council, with 47 of a total of 222 projects to be hosted by UK institutions.

The UK’s research community does not just benefit financially from participation in Horizon 2020. As the largest multilateral international research programme in the world, Horizon 2020 provides a platform for international research collaboration, providing access to large-scale research infrastructure and facilities and supporting the mobility of the most talented researchers across Europe.

Horizon adds value in other areas, too. For example, the prestigious reputation of EU research programmes helps to attract the best staff from around the world to UK research institutions, and the critical mass and strategic co-ordination across Europe has increased efficiency and reduced duplication. Being part of Horizon and its predecessors has been pivotal in raising the standard of research in the UK and developing the thriving science and research community we enjoy today.

Given the strength of the evidence that the inquiry received on the importance of the Erasmus and Horizon programmes to the UK, it is unsurprising that the committee concluded that the UK should make every effort to remain involved in these programmes. Fortunately,

this is, in theory at least, a perfectly feasible option. Negotiations are under way on the successor programmes to Erasmus+ and Horizon 2020—Erasmus and Horizon Europe, which will run from 2021 to 2027. The draft regulations for both provide for full or partial third-party access to them.

The committee concluded that, to preserve current close levels of co-operation on research and innovation and educational mobility, the UK should seek full access to the Erasmus and Horizon Europe programmes as an associated third country. This would of course mean making financial contributions to the programme budgets, but the committee concluded that this would be an essential investment to maintain UK access to all Erasmus and Horizon funding streams and international collaboration opportunities, which raise the standard of education and support excellent science in the UK.

Associate membership would not give the UK voting rights on the budget and strategic direction of the programmes, but the committee was reassured that the strength of the UK’s science base would ensure that the UK remains an influential player in European research and innovation. Association is also the only option that would allow the UK to access the key European Research Council and Marie Skłodowska-Curie schemes, which currently account for 44% of the total UK receipts from Horizon 2020.

The committee concluded that alternative UK funding schemes would be needed if the Government are not willing or able to secure association to these programmes. However, it would be a formidable and risky challenge to try to replicate at a national level the substantial benefits that participation in Erasmus and Horizon brings to the UK. Happily, statements made by the UK Government and EU institutions in recent months indicate that both sides want a close future relationship on science and innovation, youth, culture and education, which we welcome.

It is not possible to begin negotiations on association agreements to the 2021-27 Erasmus and Horizon Europe programmes while they are under negotiation and while the UK is still a member state, but our report calls on the Government to confirm as soon as possible that they intend to seek association. That will maximise certainty and stability for UK students and researchers, and enable them to plan for any changes. I hope that the Minister can give that assurance. In this context, I would be grateful if he could comment on the Written Statement made to this House on 26 March by the noble Lord, Lord Henley, on the Adrian Smith review and its implications for future UK association with Horizon Europe.

Erasmus provides huge benefits to the next generation of British citizens. Horizon supports the excellence of research in our universities. We simply must, in both our and the wider European interest, maintain as close co-operation as we can with Erasmus and Horizon in the future. I beg to move.

7.01 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I will not rehearse the many benefits of the UK’s participation in the Horizon and Erasmus programmes.

The noble Lord, Lord Jay, has already done that admirably and they are set out in detail in his committee's report. I will simply say this: they have been very successful programmes in which the UK has played a hugely important part. There can be no doubt that our participation in them has been beneficial to the UK and UK universities, colleges and others. I know that the Minister will not demur.

Of course I support the committee's recommendation that we should seek to remain part of those programmes in the future, but I want to focus on the possibility that we may leave the EU without a deal on 12 April. By the end of this week, we may be able to rule out what I believe to be an awful prospect, but it clearly remains possible—some might even say likely. This House must use its influence to press the Government to do all they possibly can to prepare to mitigate the consequences of that outcome. Just three weeks ago, I asked a Question about the continued funding of these two programmes. I was supported across the House but I received no reassurance from the Minister. He referred to the Spring Statement but that did not give any answers either. I followed it up with a Written Question. I make no apologies for trying again.

I will use my intervention to ask the Minister to answer four extremely important, pressing and specific questions relating to both Horizon and Erasmus. First, will the Government commit to provide funding for a UK alternative to the European Research Council and Marie Curie grants in 2019 and 2020 if we cannot take part in those schemes following a no-deal exit? No such commitment has yet been given. If we are shut out of these elements of the Horizon programme, the UK research system will lose more than £1 billion compared to what we might have expected to win if we remained eligible. That would be a significant cut and there would be no time to prepare. Many research stars who will have already prepared applications may decide to go elsewhere in Europe to ensure that they can still draw on these prestigious grants. Will the Minister use his influence with his colleague the right honourable Damian Hinds MP, to urge the Treasury not to allow this to happen?

Secondly, what will happen to researchers in the middle of the grant preparation process with the European Commission or the European Research Council if the UK leaves the EU without a deal? Will these so-called in-flight applications be covered by the Government's financial underwrite?

Thirdly, will the Government commit to funding opportunities for UK students to study abroad in 2019 and 2020 if we cannot continue to be part of the Erasmus scheme? Students expecting to go abroad in 2019 will have already made plans. Around 17,000 UK students would have been expecting to call on Erasmus grant funding to support their studies abroad. They are now in limbo. Will the Government commit to funding a UK alternative scheme for these students if we are frozen out of Erasmus?

Finally, can the Minister confirm the fee status of EU students who want to study in the UK, beginning their courses in 2020? The recruitment cycle is now well under way and we still do not know what universities should tell prospective EU students. This is for the Government to decide because it is a matter of law.

It is likely that EU student recruitment will be hit because of Brexit. The UK Government risk making this worse by refusing to state one way or another the status of EU students and whether they will pay home or international fees.

These are just four of the many hundreds of questions that universities and their representative bodies, including Universities UK, have been asking the Government. They are questions to which only the Government can provide an answer—unlike many other areas of uncertainty, which are dependent on negotiations with the EU. Together, they represent four areas in which the UK risks inflicting further and unnecessary damage on our universities and research system over and above what would follow from a no-deal exit, which may be outside the Government's control.

Where my questions relate to financial issues, I want to spell something out: the Government have committed to provide funding via the EU to allow UK universities to participate in Erasmus and Horizon if there is a deal. In the no-deal scenario, in which money would not pass from the UK to Brussels but would remain in the UK, the Government could decide to use it for the same purpose. In short, the Government appear willing to pay for the ERC and Erasmus if there is a deal, but will use that money for something else if there is no deal. That cannot be right. "Taking back control" should not mean inflicting further unnecessary economic damage on ourselves.

I was not able to give the Minister these questions in advance as I would have liked. I doubt that he will be able to answer them all, although I know that they have been much debated in Whitehall, so I urge him to commit to returning to this House with answers as soon as he can—certainly before 12 April if that really does look like it will be the day of our departure. I promise to stop asking the questions if we get some answers.

7.07 pm

Baroness Janke (LD): My Lords, I am grateful to the noble Lord, Lord Jay, for bringing forward the debate and for chairing the committee—of which I am a member—inquiry into another range of issues that must be addressed urgently if they are not to be disrupted by the Brexit process. This would be a great loss to UK students and universities, as well as to the UK, whether in financial, reputational or economic terms.

These are two huge success stories of EU achievement and UK participation. Erasmus offers individuals mobility of study and benefits in gaining skills and jobs, and offers universities the establishment of international bases for courses. It also provides opportunities for students from disadvantaged backgrounds, or with disabilities or special needs. Horizon 2020, with its major contributions to research and innovation in the UK, enhances the UK's reputation on an international stage, enabling access to world-class research facilities and attracting top-class academic experts and researchers to the UK and UK institutions.

Erasmus+ and its predecessor are of particular interest to me as I am a former language teacher. I believe that the programme is best known for providing international opportunities to study for HE students,

[BARONESS JANKE]

particularly in terms of learning foreign languages, the understanding and appreciation of diverse cultures, the acquisition of globally recognised skills and learning, along with the gaining of successful employment and future opportunities. It also provides opportunities to work and study abroad for a whole range of other participants, including college students and adult learners who may be in full or part-time study, and students from disadvantaged backgrounds, many of whom may never have travelled further than their own town. As a teacher I encountered many young people who learned so much from having their horizons broadened. The report cites an example of a young woman who spent time in Seville. She went on to become student of the year at her college.

It is important to point out that the next multiannual financial framework, for 2021 to 2027, makes proposals for major investment in the greater participation of students with disabilities or learning difficulties. This will be a key priority. Equally, pupils in schools or in youth work schemes have been funded by Erasmus+. An example is instanced in the report of a partnership working with youth groups in Northern Ireland, rebuilding relationships within that community following the Troubles there. No other project offers such flexibly funded opportunities to these students, who would lose out significantly should there be any downgrading of the UK's commitment to Erasmus.

Although our witnesses welcomed the commitment by the Government to underwrite the funding for successful bids to EU programmes, if the UK leaves without a deal, great concern will be expressed without exception for the likely impact on both programmes of this happening, as the noble Baroness, Lady Warwick, has just told us. The consequences are well documented in the report. They range from complete disruption in the event of a failure to agree terms with the EU for UK organisations to continue to participate; to the potential of students to end schemes early and go home, resulting in the need for universities to review and perhaps discontinue courses at short notice, with a subsequent lack of jobs followed by measures to limit spending on projects, again at short notice. This could result in a lack of confidence in UK educational institutions that will take many years to recover from, in terms of their international reputations.

The report recommends that the Government should urgently clarify how they intend to operate the underwrite guarantee to minimise disruption for UK participants changing over to a new system. As has been said by the noble Lord, Lord Jay, the withdrawal agreement offers hope for the programme to continue on to 2020, but 2020 is getting very close. As he also said, all our witnesses were convinced that the only way forward would be in a full partnership association with both projects.

Third-country status would greatly limit the UK's ability to influence the Erasmus programme strategically, although we were reassured that the meetings operate collaboratively and that all countries are treated as valued partners. As a third country, the UK would have only observer status in the Horizon Europe programme and, again, no strategic influence on its direction.

The witnesses we heard from were all extremely concerned that both the immediate and the longer-term future involvement of the UK in those two highly successful projects was at risk in current circumstances. The Government's assurances of support are welcome but as yet unspecified and without detail, so that existing participants in these schemes are unclear as to how they are to continue. The next cycle is about to be finalised, with even greater resource investment planned for the next six years, but yet again the UK's position is far from clear.

I too would like to put some questions to the Minister. What progress is being made in settling the terms for UK organisations to continue to participate in Erasmus+ and Horizon 2020 projects as third-country entities following exit from the EU? Will the Government clarify the terms of the underwrite guarantee by saying how payments will be made and by whom? Also, what terms and conditions will apply to organisations in order for them to benefit? What actions have the Government taken with regard to UK involvement as a closely associated third-party partner in the proposals for 2021 to 2027?

I hope that the Minister will be able to give us some replies to these questions, but if that needs to be done in written form, that will be helpful too. These are two of the most successful, prestigious and high-profile projects. The UK has participated in them and has gained great reputational value by showing the excellence of our own educational and research institutions. I very much hope that we will be given a firm commitment that they should continue.

7.15 pm

Lord Ricketts (CB): My Lords, this is becoming a debate with a single message for the Minister. I think that this is a compelling report. I declare an interest as a member of the sub-committee of my noble friend Lord Jay and I pay tribute to his chairmanship. The report is a clear statement of a complex set of issues with, to my mind, a great deal of compelling evidence. As the noble Baroness, Lady Janke, has just said, it demonstrates that these are two of the most successful EU programmes from which the UK has derived enormous benefit. Down the years they have had a real impact on the lives of many thousands of young people—including, incidentally, my two children. They have also enabled the British university sector to establish its unrivalled international networks and countless projects that probably would not have been funded without Horizon 2020. It would be a disaster if access to all this were cut off or seriously reduced, just as both programmes are expanding enormously for the period 2021 to 2027.

As others have said, at least if the withdrawal agreement is agreed, there is a breathing space until the end of the transition period at the end of 2020. That is a short time, but it is better than nothing. However, I am much more concerned about what will happen in the event of no deal, which is certainly not impossible if the gridlock in the House of Commons continues until 12 April.

Let me briefly take each programme in turn. Clearly there would be a diminished British role in Horizon Europe even if we had a transition period and negotiated

an association agreement. I remind noble Lords that, as the report states, the UK has been “disproportionately successful” in winning grants under the Horizon scheme, with more than 15% of the total. There will be financial rebalancing arrangements in the future programme that will ensure that the UK can no longer be a net beneficiary. Basically, we will take out more or less what we put in, so there will be a shortfall even in the event of an association agreement, because Britain will no longer be a net beneficiary of the very large sums of money available under Horizon.

From what I hear from the universities I have contact with, no deal presents a real systemic risk to the international networks that they have built up. In part that is because, if we cease to be a member of the European Union, it will pose problems for many projects where the quota for the required number of members from the European Union may well make it impossible for us to continue. Moreover, the international nature of our university sector comes out in everything one reads from university leaders. I shall quote from the recent address made by the president of Imperial College, Professor Alice Gast:

“We are international. Our international community, our collaborations, our partnerships, and our own experiences in other cultures and places have an immeasurable and profound effect on the world”.

Professor Gast is right, and Horizon has been a vital part of that. Perhaps this question has already been put to the Minister in other ways, but I would be interested to know whether there are plans to make good the funding gap that would arise even in the case of a withdrawal agreement, given that in those circumstances we shall be getting less back from Horizon than we put in.

I understand that the Commission’s guidance is that in the case of no deal there will be no new financial commitments for UK applicants. As the noble Lord, Lord Jay, said, it will continue funding provided we continue to pay into the budget for 2019—but nothing beyond. The evidence in our report is that uncertainty is already casting a shadow over the willingness of researchers around the EU to collaborate with British partners in these circumstances. Can the Minister tell us what contingency work is going on to make sure that vital projects can continue after the end of 2019, even in the event of a no-deal Brexit?

It is in Erasmus where the human cost of the current uncertainty is most clear. As the noble Baroness, Lady Janke, said, 17,000 young people are preparing for the exciting opportunity to go abroad under Erasmus in September this year. The Commission said in its guidance that,

“students and trainees abroad participating in Erasmus+ at the time of the UK’s withdrawal can complete their studies and continue to receive ... grants”—

but that is as far as clarity goes. Many noble Lords will have seen articles in the media about the problems that is already causing for young people trying to make plans for September this year, including one young lady who told the *Guardian* that she had been advised to take £1,200 in cash when she went in September, just in case there were problems with the grant and funding. That will certainly exclude disadvantaged people from even thinking about taking up an Erasmus opportunity in those circumstances.

There is also the impact on UK universities of reluctance on the part of EU students to commit to coming here in September. I see that both Spain and Norway are now advising their students to look at countries other than the UK. I wonder whether there is yet any data on the fallout for British universities of declining Erasmus applications for this coming year, because it could be important. I have a particular link with the University of Kent—the UK’s European university, with a wonderful network of four campuses in Europe. It sends a large number of students across Europe and receives a lot as well. I am sure that many others are in the same position. These universities really change the lives of young people using the Erasmus programme. To put any substitute in place—bilateral links—will take a lot of time, consume a lot of resources and in the end mean that a lot of young people cannot travel and take those opportunities. In my view, we must not jeopardise what has been achieved under these schemes.

7.22 pm

Lord Cormack (Con): My Lords, it is a great pleasure to be able to follow the noble Lord, Lord Ricketts. Sadly, I cannot, as he did, declare an interest as a member of the committee, because when I had the temerity to vote for some amendments to the European Union (Withdrawal) Bill last year, I was dismissed from the committee for failing to support the Government. Had the Government listened a little more carefully to some of the amendments we passed in your Lordships’ House, we might not be in the predicament we are in at the moment. But, sufficient for that, this is a very good report, and I pay tribute to the noble Lord, Lord Jay, and his colleagues for producing it. It is a forensic analysis of a very difficult situation and a potentially disastrous one.

The noble Baroness, Lady Warwick of Undercliffe, talked about the problems if there is no deal. I would like every Member of your Lordships’ House, although there are not many, and every one of the ERG and others in the other place who have said they do not mind no deal—some have even said they would relish no deal—to be locked in a room, instructed to read this report, and then to go out of the room and meet 20 or 30 students, their constituents in the case of the other place. This deals a potentially devastating blow to many young people. I speak as the grandfather of two university students, one a postgraduate and the other an undergraduate, both of whom are attracted by the possibility of continuing work and research in other countries. I fervently hope that when we come out we will be able to continue to take advantage, but I take no comfort from the words “until 2020”. That is not good enough. We have got to come to an arrangement with our friends and neighbours so that we can participate as closely as possible for a non-member state from 2021 to 2027 and beyond.

The great Erasmus himself personified one of the fundamentals of civilised truth: learning knows no boundaries. If you prevent or do not assist young people to know other countries as well as their own, you are depriving them. The Erasmus programme has at least one unique feature, in that it gives enhanced grants to the disadvantaged and the disabled. It has

[LORD CORMACK]

every reason to be proud of that. That is very much in the tradition of Erasmus and his time, when all the great institutions of this country and most of those in continental Europe particularly gave of their learning to young men—they were all men in those days, I am afraid—who did not have the advantage of a wealthy background. Much of that learning was given in church institutions, but our own colleges in Oxford and Cambridge and in the Scottish universities very much kept to that tradition. It is something we should not contemplate separating ourselves from.

Horizon 2020 is enormously exciting and invigorating, and the continuation from 2021 to 2027 will be as well. I address these remarks particularly to my noble friend—and he is my friend—on the Front Bench, for whom I have very real affection and regard: please talk to your colleagues in government, because we really have a duty to our young people, and to those pioneers in research and learning of whatever age in our country, to continue to collaborate in the best possible way with our European friends and neighbours, and 2020 is not a satisfactory answer.

With regret, I accept that we are leaving the European Union. I would have voted for the Prime Minister's deal last week, and I have made that plain in this House on a number of occasions. It would have brought with it some safeguards. Whatever replaces it has got to bring safeguards, and we would be delivering a real blow to the future prospects, hopes and aspirations of our young people if we turned our back on programmes of this nature. We must participate, in association or even as a third country. I was particularly struck by two paragraphs. Paragraph 13, on page 56, says:

“As a non-associated third country, the UK would not even have a seat at the table in Erasmus programme committees”.

Paragraph 19, on the same page, says:

“As an associated third country, the UK would have observer status in Horizon Europe programme committees but no vote”. That is not good enough; we have got to get it better.

7.30 pm

Baroness Smith of Newnham (LD): My Lords, I am delighted to speak in this debate and to follow the noble Lord, Lord Cormack. Over the past months and years, he has stood up for what he believes in on European questions, even, as he made clear, to the detriment of his own position on a committee in your Lordships' House.

Unlike many speakers in this debate, my interest is not that I am a member of your Lordships' European Union Committee. However, I do have an interest to declare. As an academic at Cambridge University, and reader in European politics, I am actively involved in a whole range of European-funded projects: Horizon 2020 projects, Erasmus+ projects and, slightly more tangentially, a network on the Marie Curie programme. I am not unusual in this. As we have heard, academics in the United Kingdom have benefited more than most from European funding schemes. The United Kingdom has been a significant net beneficiary of EU research and higher education funding.

The UK has always had a rather utilitarian approach to understanding the nature of the European Union. Margaret Thatcher never fully understood that

participating in the European Community, as it then was, was not simply about putting money in and getting the same amount of money out; it was about participating in networks and a whole range of policies.

In the area of research, however, the United Kingdom had a very good story to tell. UK research and development is of the highest standard; our universities are some of the best in the world. Our partners across the European Union have been very keen to collaborate with the United Kingdom, and various institutions across the UK have been significant net beneficiaries.

It might seem as though this will be a speech that simply says, “Oh woe is me”, from an academic who has benefited from EU funding and who might be going to lose it. Certainly, during the referendum, there was a lot of suspicion among those advocating Brexit that anyone advocating ongoing membership of the European Union had naked self-interest in doing so. Any beneficiary of EU grant funding was viewed as having a purely personal interest, and therefore not one that should contribute more generally to the debate. However, in the past few days, inevitably there have been letters from Universities UK and the Royal Society stressing the importance of European research collaboration, not just for the individual but for the wider research community and for society as a whole.

While my research might be about social sciences, and perhaps not the blue-sky thinking that research in medicine or other hard sciences might be, for many of those who benefit from funding from the European Research Council and other parts of Horizon 2020 funding, it is about global leadership. As the president of the Royal Society, Venki Ramakrishnan, has stated:

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

It is not just about the individuals concerned; it is about British scientific research. It is not just about funding; it is about collaborative networks, as other noble Lords have made clear.

If you are a theoretician, your research might be done sitting at your computer, on your own, in isolation. But for most research scientists, research is done in collaborative groups, where the tools of that research are costly. Working together on a transnational basis is far more effective than working in isolation. By leaving the European Union, the danger is that the United Kingdom will cut itself off from some of those key networks. Already, leading European scientists have begun to leave the United Kingdom. They have decided that they would rather hold grants in other European countries. The uncertainty of Brexit means they are no longer sure that they will be welcome in the United Kingdom. The United Kingdom has already lost, before we even leave the European Union.

If we leave the European Union with no deal, this raises huge questions about our ongoing relationship with research funding bodies and collaborative networks across the European Union. We have already heard that, if we have third-country status, we will not have a seat at the table or any opportunity to influence research funding priorities. As the noble Lord, Lord Cormack, made clear, that is not desirable. The committee's

report is very clear: if we are to be outside the European Union, it would be better to have associated status, which would at least give us a seat at the table. But we still would not have a vote. It is clearly a suboptimal position to be in. The report also suggests that, if the UK is to leave the European Union with no deal, we should have a UK mobility fund. That is so far second best that I hope we never have to work on that recommendation. It is essential that the Government find a deal that leaves the United Kingdom as an associated third country, able to participate as fully as any third country.

Earlier, I looked round the Chamber in the hope of seeing a Brexiteer who might be listening to the debate. During the referendum, we were reminded on countless occasions—usually by the noble Lord, Lord Forsyth, who is not in his place—that it is not necessary to be part of the European Union to be part of Erasmus. It is not necessary to be part of the European Union, but if we are a non-associated third country, our ability to participate in such schemes is much weakened. We need to find ways to be associated. Can the Minister tell us that the Government are trying to achieve that?

7.37 pm

Baroness Coussins (CB): My Lords, I welcome this report from the European Union Committee. My contribution will highlight the importance of the Erasmus+ programme in particular to the teaching, learning and use of foreign languages in the UK. The committee touched on the benefits for languages, and I will enlarge on this a little because, like other noble Lords, I hope that tonight we will finally hear some clear and specific news from the Minister which takes us further than what we have heard in answer to questions that I and many others have raised repeatedly over the past couple of years on what happens after the end of 2020.

Several reports have been published recently from a wide range of bodies, including the British Academy, the British Council and the All-Party Group on Modern Languages, of which I am co-chair. All of them show that the UK is facing a crisis of language skills which can no longer be ignored. I will resist the temptation to go into too much detail, but will summarise the problem by saying that the lack of language skills costs our economy an estimated 3.5% of GDP every year; employers are not happy with the foreign language skills either of school leavers or graduates, and rely increasingly on overseas recruitment to meet their needs; 100,000 fewer GCSE language exams were taken in 2015 compared to a decade earlier; and, since 2000, over 50 of our universities have scrapped some or all of their modern language degree courses. This is against a background of the prospect of a post-Brexit world in which the UK seeks to redefine its place, establish leadership in international relations, security and soft power, and negotiate new free trade agreements—all in a world where, contrary to popular myth, 75% of the world's population do not speak English and where young people will need languages for the culturally agile, mobile and interconnected jobs of the future.

Employers have consistently said how much they value graduates who have had some international and cross-cultural experience, usually by taking a year

abroad as part of their degree course, which of course is an option not only for MFL students but for all students. This underlines how important it is that the UK remain a full participating member of the Erasmus+ after Brexit because this will undoubtedly have an impact on the future employability of our young people.

Uncertainty over the UK's continued participation in Erasmus is one of the reasons for the further drop we have seen in the past year applications for languages degrees. I cannot emphasise strongly enough how important Erasmus is for giving students—of all disciplines, I emphasise, not only the linguists—the opportunity to improve language skills and develop an international and cross-cultural mindset. These are all qualities which employers value.

A study in the US reported that employers rated these skills even more highly than expertise in STEM subjects, although I hesitate to mention that study given that my noble friend Lord Krebs is sitting in front of me. Perhaps he will be happier to know about another study which showed that graduates of all disciplines who spend a year abroad are 23% less likely to be unemployed than those who do not.

Will the noble Viscount give an assurance that after Brexit the UK will continue to be part of the Erasmus+ programme and that either this will continue beyond 2020 or there will be a like-for-like programme to replace it, with no diminution of funding? If it is to be the latter, will he spell out what plans are in hand? What funding is available for after 2020? What would a replacement scheme look like?

The committee report highlights the many challenges there would be to setting up an alternative scheme, including the point made in evidence to the committee by the University of East Anglia that there is no guarantee that important universities across Europe would all recognise a UK alternative mobility scheme. This strengthens the argument for simply staying inside the Erasmus and Horizon programmes.

This is even more important after the recent announcement by the European Commission that it wants to double the number of Erasmus+ participants by 2025 by ensuring that school pupils as well as under graduates can benefit from exchanges and placements.

Erasmus+ is also a vital part of the supply chain for MFL teachers. There are now fewer MFL graduates each year than there are MFL teacher training places. Without Erasmus, which supports the third year abroad—the jewel in the crown of most language degrees—a key driver for MFL teacher recruitment would disappear. In addition, MFL teachers identify Erasmus+ as the most frequent source of funded training, and schools use the scheme to provide vital in-service training for existing MFL teachers. The top three destinations for UK participants in Erasmus+ are France, Spain and Germany, precisely the top three modern languages offered in our schools.

The Erasmus+ programme is an integral part of the national recovery programme for languages which the all-party group has recently proposed. We cannot afford to let the national deficit in language skills get any worse. Will the Minister take the opportunity this evening to commit the UK to be a continuing full participant after 2020 in the Erasmus and Horizon

[BARONESS COUSSINS]

successor programmes, rather than short-change our young people and their opportunities and choices for the foreseeable future?

7.46 pm

Baroness Massey of Darwen (Lab): My Lords, I had the pleasure of being a member of the committee which produced this report, under the elegant and efficient chairing of the noble Lord, Lord Jay, and backed up by superb support from our secretariat.

The noble Lord, Lord Jay, has well described both the Erasmus and Horizon programmes and their funding complexities, and I wish to say something particular about the Erasmus programme. Its logo is the profile of Erasmus, as mentioned by the noble Lord, Lord Cormack, a great scholar and humanist from the 15th century, whose name is spelled out in the full title of the programme: the European Community Action Scheme for the Mobility of University Students—noble colleagues will have to work out that acronym—and it says it all in the word “mobility”. It is a student exchange programme established in 1987 and it is highly successful, with the UK being an important player.

It would be sad if the UK’s standing and collaboration were impaired by Brexit. It was reassuring to hear from those closely involved in the organisation of Erasmus on the UK side that plans were being made to provide continuity for the programme. However, we heard from our witnesses and correspondents described in chapter 3 that, although some short-term certainty for continued and full participation under the withdrawal agreement exists, there is no full-blown optimism. Written evidence from Newcastle University stated:

“Due to uncertainties in the immediate future we remain extremely cautious”.

The Russell Group called attention to concerns that UK students and researchers may not be aware that there were no restrictions on UK participants during any transition period and recommended that the UK Government and the EU Commission communicate this message clearly and widely. In our current state of disarray, we can only hope that accurate information about both the Erasmus and Horizon programmes is being distributed.

The Government’s technical note on Erasmus+ if there is no Brexit deal confirms that they will seek agreement with the EU to allow for continued participation in Erasmus+ projects and bids for new funding until 2020. If discussions with the EU are unsuccessful, the Government will engage in discussions to try to ensure that UK participants can continue as planned.

The Erasmus programme guide to British applicants from the European Commission is somewhat more scary, and states:

“If the UK withdraws from the EU during the grant period without concluding an agreement with the EU, ensuring in particular that British applicants continue to be eligible, you (the applicant) will cease to receive EU funding (while continuing, where possible, to participate), or be required to leave the project on the basis of the relevant provisions of the grant agreement on termination”.

Several witnesses interviewed by our committee thought that the EU would welcome the continued participation of the UK. We heard descriptions, set out in chapter 2, of how universities had in some cases

designed courses to fit in with the profiles of students who sought a year or a semester at a European business school, for example, under the Erasmus scheme. There was universal acknowledgement from students and academics that the scheme was of enormous benefit, enabling participants to grow and develop socially as well as academically, and to broaden their horizons and ambitions.

One witness spoke of the positive experiences that students report and of potential gained when approaching employers. She concluded:

“You look at that and feel it is why we are all fighting to stay in Erasmus, because we want to continue to offer those opportunities to students”.

Universities UK points out that the next Erasmus programme would contribute to priorities to encourage disadvantaged or underrepresented students to gain from study abroad. It estimated that black graduates who had a period of study abroad were 70% less likely to be unemployed than their non-mobile peers and graduates from disadvantaged backgrounds, and earned 6.1% more.

The European Commission’s proposal for the next Erasmus programme suggests a doubling of the budget. Universities UK therefore recommends that the UK should seek full associated country status for the next Erasmus programme, starting in 2021. The noble Lord, Lord Jay, expressed this eloquently. The committee, in its conclusions, states that the UK is, rightly, a popular destination for students, with our high reputation, particularly in science and research. We receive substantial funding from the EU, and it is in our mutual interest to maintain close co-operation and collaboration. Social mobility is, in my view, one of the most important advantages. Will the Minister confirm that the UK should seek full associated country status for the next Erasmus programme? Will he confirm that the positive indications at paragraph 173 of the political declaration on the future UK-EU relationship will be vigorously pursued, for the benefit of young people not only in the UK but in the other countries of Europe?

7.51 pm

Lord Krebs (CB): My Lords, I join other noble Lords in thanking my noble friend Lord Jay of Ewelme and his Select Committee for an excellent report on such a key topic. I will focus on funding for scientific research through the EU programmes, in particular the European Research Council.

I speak as a career research scientist who has worked in universities and institutes in France, Germany, the Netherlands, Sweden, the USA and Canada. I know from personal experience how crucial international collaboration in science is. Research is possibly one of the most effective ways of building international shared values and co-operation. This is more important than ever in times when international co-operation is under threat through nationalism, isolationism and barriers. It would therefore be a matter of great regret if we were to withdraw from what is arguably the most mature and effective international scientific programme in the world.

It is very hard to set up an international programme of research co-operation in which national interests are set aside in the pursuit of knowledge and understanding. The European Research Council is a rare, and perhaps

unique, instance in which this has happened. Thanks in substantial part to the efforts of the United Kingdom, the ERC was established in 2007 to put national interests aside and focus entirely on scientific excellence. The ERC funds blue-skies research in a way that is increasingly difficult in the United Kingdom research council system because it is becoming more top-down and relevance-focused.

As we have heard, the UK is the leading beneficiary in Europe of ERC grants. My noble friend Lord Jay mentioned last week's announcement of the latest round of awards under its advanced grants scheme, in which the UK will host 47 grants, compared with 32 in Germany, 31 in France and 23 in the Netherlands. My university, Oxford, will host nine of these advanced grants, including support for cutting-edge research on synthetic tissues for medical application and the safety and robustness of artificial intelligence systems. As the university's pro-vice-chancellor for research told me last week, the fact that these could be amongst the last awards we are eligible to receive through EU sources is a sobering moment and one which underlines the importance for the UK Government of securing ongoing access to these programmes. Oxford University is the top university in Europe in terms of funding from Horizon 2020, with more than €400 million-worth of grants. Oxford is typical of leading universities in the UK. Five of the top 10 universities in Europe for Horizon funding are in the United Kingdom. We have heard from other noble Lords about the potential loss of funding in the event of a no-deal Brexit. The Royal Society has estimated that the UK could lose out on £1 billion of funding in the first year as a result of a no-deal Brexit and £0.5 billion even taking account of the Government's offer to supply substitution funding.

Furthermore, as the Royal Society highlights and as other noble Lords have mentioned, loss of funding is not the only risk we face. We will lose access to the best scientists and to networks and regulatory alignment, which are essential if the UK science base is not to suffer severe damage. As my noble friend Lord Jay of Ewelme mentioned, we will lose the prestige of winning grants in competition with 27 other countries. These are really prestigious awards. International networks are important for science, and we are already suffering the consequences of Brexit. As the noble Baroness, Lady Smith of Newnham, said, we are already losing the ability to attract students and researchers from other countries. The Wellcome Trust, the world's second-largest biomedical charity, which invests more than £1 billion a year in scientific and medical research, has already seen a 14% drop in applicants from the European Economic Area for its prestigious and well-funded research fellowships. The Wellcome Sanger Institute, outside Cambridge, where the human genome was first sequenced, has seen a 50% drop in applications for PhD places by EU nationals.

Let us be honest: there is simply no up side for UK science from Brexit. No serious scientist I know sees anything other than the loss of networks, funding and the movement of people and, ultimately, the erosion of the United Kingdom's place as the leading scientific nation in Europe. However, it is just possible that I have missed something; if I have I hope the Minister will enlighten me.

So what is the Government's position? It has to be said that science does not appear to be top of the Government's worry list about the consequences of Brexit. As Sir Paul Nurse, Nobel Prize winner, former president of the Royal Society and current director of the Francis Crick Institute, put it recently:

"If Brexit happens, then science won't have the influence and profile it will need to be protected, and we may fall off the end of the agenda".

He also said:

"The statements that we hear",

from the Government,

"are relatively reassuring. But the problem is that ... it's difficult to be fully confident and trust what's being said".

I very much hope that the Minister will remove some of this uncertainty. I shall end by asking three questions, some of which have already been asked, but there is no harm in repeating them. First, if the UK does not succeed in remaining part of the EU science funding mechanisms, can he assure us unequivocally that the equivalent amount of funding will be made available nationally? Secondly, can he assure us that whatever commitments the Government make will not be just for the short term—as other noble Lords have emphasised, 2020 is not far away—but will match those of the European Union schemes in scale and duration into the future? Thirdly, can he assure us that if the UK were to replace EU schemes with national funding, funding equivalent to the European Research Council Funding would be for blue-skies research and not for the top-down-driven strategic research that is increasingly prevalent in UK RI funding?

7.58 pm

Baroness Brinton (LD): My Lords, I declare an interest in that my husband is a research engineer on the science park in Cambridge and my last job before I came into your Lordships' House was as the director of Association of the Universities in the East of England, where most of my work involved the exploitation of projects, which relates to the point that the noble Lord, Lord Krebs, made about how important it is to have strategic development but you cannot do that without blue-skies research coming first. The key point about the ERC and the MSCA is that that blue-skies funding is disappearing fast around the world and UK universities and research institutes have been relying very heavily on it.

The UK is a world leader in research and innovation. We produce 15.2% of the world's most cited articles, with only 0.9% of the population, and the UK ranks first among competitors by field-weighted citation impact, which is a real indicator of research quality. That, frankly, is why we are major contributors to the current Horizon 2020 programme and why we have been net beneficiaries in the programme. While other noble Lords have been speaking, I have been crossing out parts of my speech. I think that I am ending up with the highly political part of the report, which is expressed in a beautifully delicate way, and I apologise in advance for being blunter and perhaps less delicate.

The underwrite guarantee offered by the Government sounds fine in principle but, as Vivienne Stern, the director of Universities UK International, tells us at paragraph 72 on page 30 of the report, it is, "good up to a point".

[BARONESS BRINTON]

She also,

“highlighted the issue of the UK becoming ineligible, as a third country, to access the ERC and MSCA, which she said accounted for ‘about 60% of all the funding that the UK wins’ from Horizon 2020”.

The key point here is how easily and how fast things can go wrong. The report makes reference to some of the difficulties that Switzerland faced. I was very aware of that in the run-up to, and during, the referendum. Appearing in public debates reminded me of the Monty Python film in which it was asked, “What have the Romans ever done for us?” I repeatedly cited Horizon 2020. At that point we had put in about £3 billion and, as a nation, had received about £5 billion back. That figure was about to increase and there was a reason for that: the absolute excellence of our blue-skies research, whether in universities, in research institutes or even in a few more private organisations.

Switzerland, too, had a very proud history of research. It wanted to be a full participant but in 2014 it held a referendum on mass immigration. At the time, its own scientists were pretty relaxed about the possible consequences of that, but a narrow majority approved the introduction of quotas and permits even for migrants from within the EU, which ruptured a long-standing agreement with Brussels. Unfortunately, as the *Guardian* cited at the time, the knock-on effects were swift and drastic. A Belgian, Vandevyver, commented at the time:

“Certainly, few people here thought the outcome would have any major impact on their work. So what happened afterwards came as a big shock to many. The consequences have been quite dramatic. And depending on what happens now”—

this was in 2015—

“they could get worse”.

Switzerland’s status was rapidly revoked. It attempted to negotiate full associated country status but unfortunately it was completely knocked out. For the following two and a half years, the funding was subbed by money from the Government and particularly from the Swiss National Science Foundation. However, that was only ever intended to be temporary. Therefore, what was the solution? The Swiss Government changed the referendum arrangements in the Bill that would have restricted free movement.

I cite that because on page 50 of this excellent report is a summary of some of the key points in the immigration White Paper. It talks about having very time-limited visas for exchange students and making sure that any EU citizens get specific leave to remain if they stay here for a particular period. It also says that, even in the transition period, anyone following anything other than the tier 4 route might find it difficult to get grants.

When I first read that White Paper, the alarm bells for the university sector in particular and for Horizon 2020 and its successor programmes rang loud and clear. We need to understand what will happen if we continue with the hostile environment. Academics from the European Union are already finding difficulties when they apply early for leave to remain—they do not have to do it yet. One such colleague went back home for six months to help look after a relative who was unwell and subsequently died, and when they came back they were told by the Home Office that

their service to date had been broken and they had to start the clock all over again. I suspect that Brussels will take a very dim view of arrangements like that.

In rapid conclusion, I have just one other question to add to all the others that have been put to the Minister. What guarantee, in addition to the full underwrite guarantee, will he be able to get from the Home Office about ensuring true free movement for the university and research sectors that will enable the UK to participate fully in Horizon 2020 and its successor programmes? Otherwise, we will be in the same position as Switzerland, going very rapidly into a black hole and having to spend years trying to dig ourselves out of it. The consequence would be that we would cease to be a leading research country in the world.

8.05 pm

Lord Best (CB): My Lords, I speak as a member of the EU Home Affairs Sub-Committee, but I do not intend to add further commentary on the contents of this, our latest report. That task has been performed admirably by our excellent chair and by other noble Lords. Instead, I offer a couple of thoughts about the process behind the report.

I am relatively new to the sub-committee and this is its first report during my tenure. Two things have struck me forcefully. The first is what an extraordinary resource this committee represents—like, I have no doubt, your Lordships’ other EU committees, as demonstrated this afternoon in the debate on *Brexit: The Customs Challenge*. Our sub-committee contains people with extensive experience of European matters, from the very highest levels of the Diplomatic Service, and from membership of the European Parliament and of bodies working with the EU who understand its strengths and weaknesses. For those who do not like to be guided by experts, the committee has wise and experienced members from all the main political parties and from the independent Cross Benches.

Our report is the culmination of an exercise that has brought together the foremost participants in the field to give us high-quality evidence, along with our quizzing of Government Ministers and officials, and the input of our exceptional staff team. This is a thorough, highly civilised and effective mechanism for achieving a unanimous outcome across party divides and between those with considerable specialist knowledge and those with more general wisdom and experience.

My first observation, therefore, is that this country—amid all the chaos and confusion of Brexit—has an incredible resource in the House of Lords EU committees: a means of bringing clarity to complex issues, of achieving both understanding and consensus, and of bringing more light than heat to the debate.

However, my second observation is that this resource is largely ignored: this voice of reason is largely unheard even within Parliament, let alone in the world outside. The report on the Erasmus and Horizon programmes before us tonight is no exception. Despite its clear analysis and really important recommendations, members of the general public are unlikely to see or hear its contents.

How many people know how valuable the Erasmus programmes are for tens of thousands of young people in this country or how important to the UK’s research and innovation is our involvement with the Horizon

programmes? How many people know that currently we gain financially from these programmes and are net beneficiaries, getting more out than we put in—£3 billion in, £5 billion out, as the noble Baroness, Lady Brinton, said? How many people know that Brexit, with or without a deal, means that, even if we pour in a lot more taxpayers' money—and the figures are in billions, not millions—we will still lose our influential, key position in the decision-making for these funding programmes?

Despite a sprinkling of media coverage of our report and some modest pieces in academic magazines and journals, it is likely that the committee's work will go more or less unnoticed. I think this a great shame. The report before us tonight exemplifies the clear, constructive, consensus-based role that this House can play through its EU Committee and sub-committees in guiding the nation on significant aspects of the UK's relationship with the EU. But it also illustrates how, surrounded by noise and dissent, this rational, evidence-based approach can be ignored. This is a waste of what should be a brilliant gift to the policymakers and practitioners.

As any research council, policy think tank or research-based foundation will testify, producing a fine report is the start, not the end, of a process for achieving change. It requires persistence to get the message out with a clear communications strategy, ongoing participation in conferences, seminars and informal sessions with opinion-formers, targeting of the news media and use of online social networks. Reports do no good gathering dust on library shelves.

At this time of fake news and divisive discourse, I would like to think that the House's budget for disseminating and publicising the outputs from our committees—such as the excellent report we are debating tonight—might be significantly increased. However, in the meantime, it is an urgent necessity that the Government recognise that the committee's vital report on the Erasmus and Horizon programmes deserves their most positive consideration.

8.10 pm

Lord Bilimoria (CB): My Lords, I declare my interests as chancellor of the University of Birmingham, chair of the advisory board of the Cambridge Judge Business School and a Bynum Tudor fellow of Kellogg College, University of Oxford.

As has been mentioned, the Royal Society says basically that no deal is a bad deal for science. One in six academic staff at UK higher education institutions are from elsewhere in the EU. The UK could lose access to over £1 billion per year in EU research funding. The noble Lord, Lord Krebs, said that there was no upside to leaving the EU for science. My friend, Professor Sir Venki Ramakrishnan, president of the Royal Society, said:

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

UK science punches well above its weight; that is a point I have made many times. We have 1% of the world's population but produce 15% of the highest-rated scientific papers. Over half of the UK's research output in 2015 was the result of international collaboration.

I congratulate the noble Lord, Lord Jay, and his committee on a truly outstanding and comprehensive report. It shows very clearly the implications for the UK if we leave the EU with respect to the Horizon 2020 and Erasmus+ programmes. These are phenomenal programmes, in which we have played a major part. As noble Lords have heard, we are the second-largest recipient of Horizon 2020 funding and we have received 15.2% of grants distributed so far, totalling €5.7 billion. As well as funding UK research projects, Horizon 2020 supports scientific partnerships with countries throughout Europe. It is phenomenal.

The report explains very clearly how damaging a no-deal scenario would be for these programmes. It also highlights, as other noble Lords have mentioned, that if we are not an associate member, we will lose out on funding from the European Research Council and Marie Skłodowska-Curie Actions, which are not open to third-country participation and not covered. The report says:

"The Government's own statistics show that grants from these programmes account for about 44% of total UK receipts from Horizon 2020".

Can the Minister reassure us that we will have access to these programmes in the future? The report is concerned not only with Erasmus+ and Horizon 2020, but asks about the future programmes, Erasmus and Horizon Europe, which are starting in 2021—the year after next—and will run until 2027; we do not want to lose out on them.

Another important point made by the report is its stark warning that mobility opportunities for people in vocational education training would stop in their tracks without Erasmus funding. That would disproportionately affect people from disadvantaged backgrounds and those with medical needs or disabilities. This is serious. It also talks about clear benefits over and above grant funding, such as cross-border research, research facilities and joint infrastructure. It makes the point that the Government keep talking about increasing R&D and innovation spending to 2.4% of GDP from the 1.7% we have at the moment. That will take time. Are we going to lose out in the future?

What of the people involved in these 4,700 projects—the 128,000 participants? The Prime Minister said in her Florence speech—we must not forget all these staged speeches—that people will continue to be able to come and live and work in the UK during the implementation period after the UK leaves the EU, and that there will be a registration system, with the Government considering options for the future. What are these options? The Migration Advisory Committee's useless—quite frankly, hopeless—report put a threshold of £30,000 as a minimum salary. What about all the research assistants, the post-docs, and all the other people who would lose out? Will the Minister tell us what will happen? Will the Government listen to this report?

As the president of UKCISA, the UK Council for International Student Affairs, which represents 450,000 international students in the UK, I can report that 130,000 of them are from the EU, and 20% of our staff at many of universities are from the EU. The National Union of Students is supportive of the UK remaining a member of these programmes and not

[LORD BILIMORIA]

losing out in the future. International students bring £26 billion into the economy; they create jobs and pay taxes. It is phenomenal, and we do not want to lose out. At the moment, EU students are entitled to home student fees and loans, and to a permanent right to work after finishing their studies. Can the Minister tell us what will happen to the 130,000 students if those three things are not available to them?

We have lagged behind competitors such as the United States, Australia and Germany in the proportion of students who gain overseas experience. Thanks to initiatives such as the Erasmus programme, we have been catching up. Now we are in danger of falling behind again. The impact survey has found time after time that the employability of people who have been on the Erasmus programme nearly doubles. The soft power of Britain has been increased by our being on the Erasmus programme. With inward mobility, students who participate gain a better understanding of and affinity for the UK. These are all priceless benefits.

What about the future? The European Commission wants to double the funding to €30 billion. Will the Minister assure us that we will join the new programme and commit to the extra funding? It will be more inclusive and more open to students from disadvantaged backgrounds. It will extend mobility. Do we want to lose out on this? I do not think we do, and I would like the Minister to assure us that we will continue to benefit from these further enhanced programmes.

The Royal Society continually says that we need to continue with this scheme. EU countries are among the UK's top 10 strongest scientific collaborators. Some 17% of R&D undertaken by UK SMEs comes from the EU. The pillars of Horizon 2020 and the pillars of the new Horizon Europe are similar. Do we want to lose out on open science, global challenges, industrial competitiveness and open innovation? We will lose out big time if we are not careful. Universities UK backs these schemes.

As the noble Lord, Lord Cormack, mentioned, what about the uncertainty for the 17,000 British students who plan to study in Europe under Erasmus+ from September? A note published by the Government failed to guarantee their participation. Will the Minister assure us that those students will be able to take part? In recent weeks, Spain and Norway advised their students planning to study in the UK to go elsewhere.

No one has brought up the programme for entrepreneurs. There is a European Union funded programme, Erasmus for Young Entrepreneurs. Can the Government assure us that this scheme will continue?

I will conclude with a point that the noble Lord, Lord Cormack, touched on—the youth. This is predominantly about the youth. Since the referendum, our birth rate has been 800,000 a year and we have 2.4 million more youngsters who were not allowed to vote three years ago, including two of my children, who have been old enough to vote since October 2016 and 21 March this year. They missed out on voting three years ago. Their future is being taken away from them. They are the ones who would benefit from Erasmus and from Horizon. The noble Lord, Lord Cormack, spoke about Erasmus and how learning

knows no boundaries. Mahatma Gandhi said, “Live as if you're going to die tomorrow and learn as if you're going to live for ever”.

I go back to Venki Ramakrishnan—Nobel prize winner, president of the Royal Society and fellow of Trinity College, Cambridge—who said:

“Given the ... gridlock, I personally feel it would be best to revoke article 50 and I signed the ongoing petition accordingly (in a personal capacity). Politicians need to rise above partisan politics and self-interest and act soon in the best interests of the country. Whatever they decide, it is time the threat of a ‘no-deal’ Brexit is buried permanently”.

Finally, I will touch on what is going on in the other place. It has now gone beyond the will of the people; it is supposedly now respecting the will the manifestos. What about the Prime Minister respecting the will of her manifesto? She backtracked on the dementia tax four days after it was published. Then she ditched so many other manifesto pledges: a free vote on fox hunting, ending free school lunches for children aged five to seven, dropping the triple lock on pensions and ending the ban on new grammar schools. She can continually U-turn and forget about her manifesto, which did not get a majority—the Conservatives did not get a majority last time—yet we cannot ask the people to change their mind even once, when the Prime Minister has gone back three times to get MPs to change their mind and wants to go back a fourth time.

There is only one solution. The world has changed in three years. We have to say what we have been talking about in this debate. We have to preserve the benefits of Erasmus and Horizon. The only way to do that is to put it back to the people for a people's vote. I am sure we will end up remaining in the European Union, which is the best deal we have by far.

8.20 pm

Baroness Garden of Frognal (LD): My Lords, I also thank the noble Lord, Lord Jay, for introducing this debate so comprehensively and for his chairmanship of the committee that produced this authoritative and important report, although sadly without the contribution of the noble Lord, Lord Cormack.

As the noble Lord, Lord Ricketts, said, this has been a debate with a single message. Perhaps it is not surprising that there has been rare agreement among the speakers today in support of two European programmes that have been so important to our students, universities, citizens and country. We have long been pressing the Minister for assurances that we shall continue to be part of Erasmus and Horizon. His assurances have been modest and time-limited and I rather expect that he will not be able to give us the longer-term assurances that we all wish to see. We can only hope that he can give some plans beyond 2020 and, indeed, answer the questions from the noble Baroness, Lady Warwick.

As Universities UK and the Royal Society have reminded us, the UK is a world leader in research and innovation, and continuing to build our research capacity is vital for future economic growth and closing the UK's productivity gap, as my noble friends Lady Smith and Lady Brinton can attest from first-hand experience. Indeed, my noble friend Lady Brinton's tales of Switzerland were salutary.

The UK's research success is down to homegrown talent, high levels of international co-operation and world-class facilities. In science and research, the UK produces 15.2% of the world's most cited articles with only 0.9% of the world's population, and ranks first among competitors by field-weighted citation impact, which is an indicator of research quality. The noble Lord, Lord Krebs, spoke about the importance of this scientific research and the noble Lord, Lord Bilimoria, added his voice.

Much of this is due to funding and collaboration through the Horizon programme. What steps are the Government taking to secure "associated status" with Horizon Europe? We have heard that the UK will not be able to start negotiations to gain associated status until the UK has left the EU, but surely it is important that the UK influences the shape of this programme as a current member of the EU.

The noble Lord, Lord Best, bemoans the lack of attention to this report and of realisation more widely of the huge benefits we have had from these two great programmes. The range of universities that contributed to the report bears witness of the importance throughout higher education of these programmes. It is surely in all our interests for collaboration to continue.

When we think of Erasmus, there is copious evidence of the transformational experiences of young people who spend time in other countries, developing linguistic skills but also gaining an understanding of cultural, political, economic and social differences, and learning to respect international differences. Like my noble friend Lady Janke, I am a former modern language teacher. I know the enormous benefits of time spent in countries for language students, and for other students as well. Of course, the noble Baroness, Lady Coussins, is a tireless supporter of modern languages and time spent abroad.

I have to say that this is all a far cry from my days reading languages at Oxford, where women were discouraged from spending time abroad because it would take away from their academic studies. At the time, I was still fluent in French, having spent a childhood in France. This was totally irrelevant to my degree: what really mattered were the medieval texts. But there we are; we have moved on.

The people on Erasmus developed soft skills as well as skills and knowledge to enhance international relations—and, goodness, do we need those skills now. The country will certainly feel the loss if our younger generation loses out on opportunities to study, work and live in other countries.

We hear from the report that, under Erasmus+, €1 billion is expected to be allocated to the UK between 2014 and 2020 to support university student exchanges, work and vocational training placements, youth projects—we have heard mention of their importance—and opportunities for staff working at all levels of education to teach or train abroad. Extra funding is available for people from disadvantaged backgrounds, and those with disabilities or additional needs, to ensure that these mobility opportunities are inclusive and accessible. That has come out from all sides of the Chamber. This is all invaluable, but will it still be available? The next Erasmus programme will

align well with UK priorities, including measures that will make it easier for disadvantaged students to take part and be more flexible, as the noble Baroness, Lady Massey, reminded us. The European Commission's proposal for the next programme suggests a doubling of the overall budget. The UK should therefore seek as close a status as possible for the next Erasmus programme, which starts in 2021.

Erasmus has done wonders for those from disadvantaged backgrounds, and has enhanced vocational as well as academic learning. Does the Minister have any plans for what programmes the Government might introduce if we lose Erasmus? As the report says:

"The UK is a respected and important partner in both the Erasmus+ and Horizon 2020 programmes. It is a popular destination for mobility placements and a world leader in research, with an exceptionally strong science base ... In return, the UK receives substantial amounts of funding, access to professional networks and opportunities to connect and collaborate with European partners built over decades of cooperation under the shared framework of the Erasmus and Horizon programmes".

We have heard this mentioned in the debate as well. Funding is a crucial part, of course, but the co-operation is also critical to the research excellence of our universities.

The UK has so far received €5.7 billion of funding from Horizon 2020. What plans have the Government made to replicate this in the event that we leave without a replacement arrangement? The funding is for fellowships, joint research projects and collaboration between universities, colleges and schools, and has a significant impact on youth projects and policy in Europe and beyond. These are worldwide collaborations which surely, in these fractious times, we should be supporting as much as possible. The Government have committed to underwrite funding from EU programmes until the end of 2020, but what then?

There is a lack of clarity over how this will operate, particularly given that the European Research Council and the Marie Skłodowska-Curie Actions are not open to third-country participation. The UK could hope to participate as a third country in the successor programmes to Erasmus+ and Horizon 2020, Erasmus and Horizon Europe, which will run from 2021 to 2027. What plans do the Government have to ensure that we are in the best position for this? Let us not forget the vocational support for Erasmus, mentioned by the noble Lord, Lord Bilimoria. We should certainly be concerned that, as the report sets out,

"mobility opportunities for people in vocational education and training would 'stop in their tracks' without Erasmus funding".

This is particularly damaging for those from disadvantaged backgrounds and those with disabilities. Can the Minister give us any reassurances about the vocational education programmes?

The great Erasmus programme has been around since 1987. It has expanded from universities to lifelong learning, adult education, youth and sport programmes, youth workers, education staff and teachers, who have all had employment opportunities enhanced. Hundreds of thousands of people, young and old, have had their lives transformed. Yet, there is total uncertainty about the way forward. We understand that the Minister's hands will be tied, but we would welcome any assurances he can give that the Government appreciate just how

[BARONESS GARDEN OF FROGNAL]

valuable these programmes are, and what a huge loss it will be to the country if we can no longer play a full part in them. I look forward to his reply.

8.28 pm

Lord Bassam of Brighton (Lab): My Lords, it is a great pleasure to speak in this debate, on a subject which may well come to define the future hopes and aspirations of our next generation of students, researchers, entrepreneurs and business leaders. The noble Lord, Lord Jay, is to be congratulated on the report that has been produced and on the excellence and quality of this evening's debate, which it has so ably supported.

These two programmes, Erasmus and Horizon 2020, have their origins in the mid-1980s, at a time when the European Parliament and the Commission were looking expansively at ways in which Europe's emerging "knowledge economy" recognised the need to be more ambitious. The UK's part in these programmes has long been regarded as critical to their success, largely because we punch way above our weight. As the noble Lord, Lord Bilimoria, said earlier, we have just 1% of the world's population but gather 15.2% of the world's most highly cited articles. We are ranked first among competitors by field-weighted citation impact.

UK universities tell us that Horizon 2020 is the largest multilateral international funding pot in the world, with a budget of €75 billion over a seven-year period. Since the programme's inception, the UK has been the second most successful country in terms of funding received. The programme provides a tailor-made platform for collaboration with key partners in Europe; over 50% of UK collaborations are with members of the EU. The Horizon 2020 budget is set to grow to €100 billion in the period 2021-27. At our current level of success in securing funding, UK universities could expect to benefit to the tune of between €14 billion and €18 billion over that period.

Whatever the outcome of Commons votes tonight and later in the week, and the shape of any withdrawal deal, it is essential, as the EU Committee's report says, that the UK Government secure continued access to the EU research framework programmes through association with Horizon Europe. Our universities need this guarantee to ensure their pre-eminence as research institutions leading and participating in collaborative programmes. A failure to secure this beyond the current spending period will, as many speakers have said tonight, damage permanently our university sector and the businesses that depend upon it.

The Government's commitment to increase research funding to 2.4% of GDP by 2027 is of course welcome, but it merely underlines the centrality of research to the UK's future prosperity. Does it go far enough? This I doubt. The weakness in the strategy is that access to Horizon Europe is dependent on a guarantee that post-2020 funding will be commensurate with the UK's ambition. Again, a failure to be ambitious will mean that we cease to be a net beneficiary from future Horizon Europe budgets. My fear is that, because being an associate member will not give the UK more than observer status at programme committees, the temptation for this Government and perhaps future Administrations will be to restrain funding and minimise costs. If the

UK participates as a non-associated member, it will lose access to major funding opportunities and have no influence over the direction of research programmes and priorities.

We echo the calls for the Government to secure at least associated status in the event of the UK leaving the EU, so that negotiations can begin about our participation and on shaping some of the future research agenda. The underwrite guarantee helps to ensure cross-university collaborative work in the short term, but what happens beyond Horizon 2020? Perhaps the Minister can help us with some assurances. Can he also provide a cast-iron assurance that funding commensurate with the expected returns from the ERC and Marie Skłodowska-Curie Actions, estimated to be worth €1.3 billion over the final 20 months of the Horizon programme, will be available?

My noble friend Lady Warwick and the noble Baroness, Lady Smith, expressed concern about the uncertainty that researchers might suffer from and that they might be encouraged to move as a consequence to other EU institutions. It is equally possible that, if we have no deal, negotiations might stall. It might be helpful if the Government therefore gave assurances to those researchers that UK Research and Innovation will sign grant agreements in such a situation. If as a product of Brexit we in the UK lose access to funding opportunities, it is clear that we will need replacement programmes. The Government must work with the research communities to ensure that, in the event of crashing out or failing to negotiate a workable deal with the EU, we have a well-funded alternative. It needs to be understood by government that it will take many years to replicate the scope of current programmes and undo the damage done to our reputation and field-leading position internationally.

Turning to the Erasmus+ programmes, many similar challenges exist here. Currently, the budget of €16.4 billion for the programme period reaches over 4 million people through study, training, work experience, sports and volunteering abroad. Over the past 30 years, some 300,000 UK students have benefited from the Erasmus programmes. Of course, UK university students have always studied abroad. Like other noble Lords, I recall a few friends having years abroad during my time at Sussex in the early 1970s, but the programmes had to be individually negotiated and were reliant on the good will of the two institutions involved and an element of good fortune. Today's programmes are sophisticated, and a far cry from those back then, which predated our membership of the EU.

In the academic year 2015-16, 15,000-plus students from UK universities took part. Incoming students add to the broader cultural experience of students attending our university courses. The NUS estimates that on and off-campus spending by international students, the vast majority from the EU, totalled some £25 billion in 2014-15 alone and contributed £13.8 billion to the UK's GDP. This supports the equivalent of over 200,000 jobs and equates to £10.8 billion of export earnings. To put it in tax revenue terms, it supplies £1 billion a year to the Treasury and supports the salaries that pay for 31,000 nurses or 25,000 police officers.

But the major benefit is probably to less measurable things. Students bring overseas thinking and ideas home with them. They add to the UK's influence through forms of soft power. Students and researchers bring fresh approaches to our academic institutions and towns and cities. Some research suggests that students who study abroad access better employment opportunities, achieve higher incomes and make a bigger contribution to the national economy.

Unsurprisingly, overseas study benefits social mobility and, as many noble Lords have said, students from disadvantaged backgrounds. One study suggests that black and minority ethnic students who participate in Erasmus are 41% less likely to be unemployed than non-exchange students, and that mobile students from poorer backgrounds earn 6% more across their lifetimes. Shutting off the opportunity for international exchange for those students will undermine work to widen participation in higher education and improve upward mobility.

Given all the benefits to our university sector and to the wider economy from Erasmus, it is essential that, in any post-Brexit deal with the EU, the UK Government negotiate full association with the 2021-27 programme. Costs will be higher and we will not have the purchase on the content of the programme we currently do, as voting members of programme committees, but as a non-associated country we would give up a seat at the table completely. If it is not possible to negotiate a sensible post-Brexit arrangement, it is essential that the UK Government establish a new international mobility scheme, with all the same features of our current arrangements. I agree with the report that this must not be at the expense of exchanges on our doorstep, not least because they are attractive to vocational students, those with special needs and those with strong family ties.

I echo much of what the noble Lord, Lord Jay, said in his opening speech, because we have only seen government commitments for funding of the existing programmes. Can the Minister assure the House that the Government have a plan for the long term in mind and the replication of the UK's participation in Erasmus on current terms?

Finally, it would be remiss of me not to mention the position of students seeking to study in the UK. Can we be assured that there is no threat to the status of students currently studying here? Can we be further assured that internal discussions are taking place within government and especially the Home Office to guarantee the extension of the temporary leave to remain scheme? Without that, the future of mobility learning will be jeopardised, and our place as a centre of excellence for the student experience placed at risk.

No deal is a form of intellectual and academic self-harm. I share the fear of many Peers tonight: I cannot believe a Government serious in looking to the future of our country will allow this to take place, and I hope I am right. The Government have offered little by way of reassurance so far, though there are some encouraging signs in the political statement that sits with the withdrawal agreement. Tonight, as we await the outcome of Commons votes, and at a point when we all need more answers to hard questions, I hope that the Government will offer us more than the

empty promises we have sadly become used to over the last couple of years, which are a feature of Mrs May's administration. These questions need answers.

8.39 pm

Viscount Younger of Leckie (Con): My Lords, I am very grateful to the noble Lord, Lord Jay of Ewelme, for securing this debate and I thank the Home Affairs Sub-Committee, of which he is chair, for taking the time to consider the future of the Erasmus+ and Horizon 2020 programmes after Brexit. This has been valuable work which I know is informing the Government's thinking on these topics. I want to make a few opening remarks because there have been, in my view, some excellent speeches this afternoon from many distinguished Peers with backgrounds ranging from education and higher education to the Diplomatic Service. My message, as I start out, is that these two programmes are very important: I agree with so many of the comments made on this point and shall say more about it later. I reassure the noble Lord, Lord Best, and the noble Baroness, Lady Garden, among others, that the sub-committee's report will not go unnoticed.

Next, I welcome the noble Lord, Lord Bassam, to the Front Bench. I note that he has morphed from shadow Chief Whip to this position and I have no idea whether it is permanent or temporary. I hope it is permanent and he is very welcome. This debate, as is probably the case for all debates here in the Lords, has seen an enormous number of questions raised on these important subjects. Many of the questions directed to me include a focus on the dates and the guarantees we have given, and perhaps suggestions that we should extend these guarantees. The noble Baroness, Lady Garden, anticipated that I might say this, but I hope that the House will not expect me to give any guarantees this afternoon. However, one thing is certain: I will take all views back to the department. I hope, at least, that I can give some assurances that will help the House.

The Government will publish a formal response to the Committee's report shortly. However, to follow a point raised by the noble Baroness, Lady Smith of Newnham, I will set out the work the Government are doing to ensure that opportunities for our researchers, businesses and students are protected and enriched in all scenarios. I start by saying—with a touch of understatement, perhaps—that we do not know what the coming days will bring, but the UK remains open for business and, importantly, open to ideas and exchanges with the EU and globally, and to the people who provide them. In the context of the UK's impending departure from the EU, it is imperative that we consider how the UK can maintain close ties with our European partners, particularly in education, science and research.

As the report noted, the Erasmus+ and Horizon 2020 programmes have provided so many people in the UK with the opportunity to move across the EU: to learn, work and carry out research and innovation. UK businesses and researchers have driven forward a wide range of inspiring Horizon 2020 projects. As of the end of September 2018, the UK had more than 10,000 participations in the programme. In response

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to a question raised by the noble Baroness, Lady Smith of Newnham, and the noble Lord, Lord Krebs, who raised an interesting point about EU scientists leaving the UK and the fact that science is losing out, I have absolutely taken note of what both Peers said. We currently expect that, at the point of exiting the EU, the UK will have more than 10,000 live participations in Horizon 2020. I have to inject a little caution because the latest data, released in September 2018, does not suggest that the UK is routinely locked out of consortia, but I recognise that both the noble Baroness and the noble Lord are making points about what they say is happening on the ground. These projects range from increasing our understanding of how green roofs are used to tackle climate change to helping authorities better protect trafficked persons.

The Government recognise the important role that both schemes have played in the UK and remain committed to supporting collaboration with our neighbours in the EU and beyond. I will focus on Erasmus+ first. The noble Lords, Lord Jay and Lord Bassam, would put this more eloquently than me, but the Erasmus+ programme offers young people the opportunity not only to gain international experience but to boost their employability, as the noble Baroness, Lady Coussins, said. It provides opportunities for teaching and training, and supports innovation and the sharing of best practice.

The noble Baroness, Lady Janke, asked me to clarify the terms of payment for the underwrite guarantee. UKRI will use existing payment systems to ensure continuity for UK beneficiaries. In a no-deal scenario, UKRI will contact UK beneficiaries who have registered on the portal with further information on how the guarantee will operate in practice. While the UK benefits from sending our own young people on outgoing mobilities, the UK hosts around twice as many incoming Erasmus+ mobilities as it sends out. As the noble Lord, Lord Best, and others have said, it is interesting to note that the UK's notional contribution to the Erasmus+ budget currently exceeds its share of receipts.

The noble Baroness, Lady Garden, and, particularly, the noble Baroness, Lady Coussins, raised the question of modern foreign languages—the importance of Erasmus+ for languages and the supply chain for teachers. I agree with them that the benefits for those who endeavour to learn new languages and study abroad can be huge. Languages provide an insight into other cultures and can open the door to travel and employment opportunities. They can also broaden pupils' horizons, helping them flourish in new environments.

I assure the House that Erasmus+ is not the only way students can travel abroad. Our world-leading higher education providers have a strong track record of partnering with overseas institutions, and UUK evidence suggests that around half of mobilities already take place outside Erasmus+. The Government know that employers value languages too, as they are increasingly important to make sure we can compete in the global marketplace. I hope the noble Baroness, Lady Massey, might agree that it is clear that other EU countries strongly value and are benefiting from the UK's participation in Erasmus+.

I will now move on to Horizon 2020. As others have said, this is the biggest EU research and innovation programme ever, with nearly €80 billion of funding available over seven years—that is, between 2014 and 2020. It promises more breakthroughs, discoveries and world firsts by supporting great ideas at all stages from the lab to the market. The UK is one of the most attractive collaborators for research and innovation, and a key player in Horizon 2020. I have already mentioned our high number of participations, which is second only to Germany. We are also a partner of choice across Europe; every member state places the UK as one of the top five countries they collaborate with under the programme.

I will now touch on the impact of Brexit on these two important programmes an issue which so many Peers have raised this afternoon. As the committee's report notes, and as the noble Lord, Lord Jay, has said, passing the withdrawal agreement would ensure that UK participation in Erasmus+ and Horizon 2020 would remain largely unchanged until the end of 2020. Despite the challenges that we continue to face, it remains the Government's priority to secure a negotiated deal. The noble Lord, Lord Ricketts, asked what Her Majesty's Government would do to allay the funding gap for the Horizon programme even within the terms of the withdrawal agreement. The EU programme for research and innovation is a competitive bid programme—only the most excellent bids are funded. Under the terms of the withdrawal agreement, UK bids would continue to be measured against the same criteria as bids from other EU member states, which should avoid any fall in funding.

However, the Government are preparing for every eventuality, and in the event of no deal the Government will underwrite funding for successful bids submitted to Erasmus+ and Horizon 2020 before the end of 2020. For the avoidance of doubt, this guarantee would apply for the lifetime of projects. This sizeable funding pledge will be not part of, but additional to, funding already committed in existing departmental budgets. The noble Lord, Lord Jay, asked whether the Government can confirm that they will spend the money required in the EU's regulation for a no-deal guarantee. I reassure him that the Government have been clear that, if the UK leaves the EU without a deal, the UK has obligations to the EU—and the EU obligations to the UK—that will survive Brexit. These would need to be negotiated.

As your Lordships will know, UK Research and Innovation is the Government's delivery partner for Horizon 2020. Since last year, BEIS and UKRI have worked tirelessly to put the necessary systems in place to deliver this guarantee if required. In this scenario, all beneficiaries registered on the UKRI portal will receive detailed information about the next steps they need to take.

The noble Baroness, Lady Warwick, asked a number of questions—I think there were four, if not more—and I will try to answer them all. She asked about the terms of the underwrite guarantee funding. It will be paid to UK beneficiaries in pounds sterling. UKRI has confirmed that existing systems will be used to give continuity for UK grant holders.

The report also makes clear the importance of confirming no-deal domestic funding streams for key sources of UK Horizon 2020 funding, including the European Research Council. The Government have worked closely with UKRI and a wide range of stakeholders on no-deal planning for the Horizon 2020 programme. However, it is appropriate that noble Lords are asking about this, and I can assure them that further updates will be provided to the research community in due course. In January, the Government published a technical notice on Erasmus+ which provided guidance to organisations and participants on the UK's anticipated participation in the current Erasmus+ programme in the event of no deal.

The report has pointed towards the benefits of continuing to contribute towards Erasmus+, and it is right to look ahead. Indeed, the UK is very interested in exploring future participation in the Erasmus+ successor scheme for the period 2021 to 2027. I understand that the successor scheme will include increased school exchange opportunities and a greater emphasis on widening participation. The Government have welcomed proposals on this and will continue to participate in discussions while we remain in the EU.

The noble Baronesses, Lady Smith of Newnham and Lady Garden, asked whether the Government would commit to seeking alternatives to Erasmus+ and associate third-country status for Erasmus+. Perhaps in line with what I have just said, the Government are certainly very interested in the emerging proposals for the successor Erasmus+ programme for that 2020 to 2027 period. The details of that are still being discussed by the EU, and the UK will continue to participate in discussions while we remain in the EU. However, we note that the proposals so far contain a number of provisions that the UK can welcome. We will continue to consider the emerging proposals carefully, and whether the UK will participate in the future programme, and on what basis, will be subject to wider negotiations on the UK's future relationship with the EU.

The report also highlighted the importance of an alternative scheme if participation in Erasmus+ cannot be negotiated. I can assure the House that the Government understand the value that international mobility can bring and are currently driving forward work on domestic alternative options to support it. Again, to reassure the noble Baroness, Lady Garden, the potential benefit of the UK establishing its own international mobility scheme is the ability to tailor the scheme to UK needs and target the funding where it is most needed. Of course, whatever international mobility scheme we are part of in the future, the Government will want to ensure value for money for the taxpayer.

The noble Baroness, Lady Warwick, previously asked me a question—it may have been in an Oral Question the other day—on the funding of domestic alternatives for Erasmus+. I reassure the House that the Government are preparing for every foreseeable scenario. In a no-deal scenario, the Government's underwrite guarantee will cover the payment of awards to UK beneficiaries for all Erasmus+ bids; that is additional funding, which I may have alluded to earlier.

As regards domestic alternatives, the Government are developing a range of options. But of course they need

to balance carefully the support for international mobility and ensuring value for money, as I said earlier.

As the House will know, Horizon Europe is the successor to Horizon 2020, and I will touch upon some of the thoughts set out in the report. Recognising the value brought through international collaboration, the Prime Minister made it clear in her speech at Jodrell Bank last year that the UK would like the option to fully associate to the excellence-based EU science, research and innovation programmes post 2020, including Horizon Europe.

UK officials and Ministers continue to play an active role in the development of the Horizon Europe programme to ensure that it remains in line with the UK's priorities of excellence, openness to the world and added value. As a potential future associate to the programme, we believe that Horizon Europe should continue to treat associated countries as partners rather than competitors. The benefits that associated countries bring to the programme must be recognised and welcomed.

The noble Baroness, Lady Janke, asked what progress had been made in setting the terms of third-country participation. She may not be surprised when I tell her that negotiations on the Horizon Europe programme, including provisions on third-country participation, are ongoing within the EU institutions. At the moment, it is too early to make an informed decision about our future participation, but we are committed to continuing the strong, positive relationship that we currently have with the EU in science, research and innovation.

My noble friend Lord Cormack asked how the UK will influence research and innovation without a seat at the table, which is a fair question. I reassure him that the UK is a great place to do science. We account for 4.1% of the world's researchers, 10.7% of all citations, 15.2% of the world's most cited articles and three of the world's top 10 universities. We know that collaboration between researchers is key to achieving great science. That is why our plan to ensure that the UK remains a world leader in science and innovation after Brexit focuses on encouraging close relationships with the EU and beyond.

Let me be clear: science, research and innovation really matter. That is why we have committed to considering all options to support UK research and further the Government's strategic objectives, regardless of whether we choose to associate to Horizon Europe. This is in line with the committee's recommendation that every effort be made in this respect. That is why the Government have announced the appointment of Professor Sir Adrian Smith, director and chief executive of the Alan Turing Institute, as an independent adviser to the Government on the development of future funding programmes for international collaboration. The terms of reference have been agreed and Sir Adrian has hit the ground running. We look forward to his thoughts and recommendations.

To answer a question from the noble Lord, Lord Jay, about the implications of the Smith review for association to Horizon Europe, Professor Smith's advice will help set the direction for the implementation of the Government's ambition to ensure that the UK continues to be a global leader. In the event that the

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UK does not associate to Horizon Europe, the Government will support measures to enable world-class collaborative research that aligns to UK priorities.

I can also confirm that BEIS is working closely with the national academies and UKRI to develop ambitious and credible alternatives to association to Horizon Europe which could also enable world-class collaborative research. Your Lordships will appreciate that this thinking is still at an early stage and is currently being tested with both devolved Administrations and key stakeholders from the wider research and innovation communities represented by Minister Skidmore's high-level stakeholder group on EU exit. Your Lordships should be aware that all decisions on future funding for international science collaboration remain subject to the spending review—so are caveated to some extent.

The noble Baroness, Lady Warwick, asked me to confirm the fee status for EU students beginning courses in 2020. This point has been raised in the House on several occasions. I know that students, staff and providers are concerned about what EU exit means for study and collaboration opportunities. To help give certainty, in July 2018, we announced guarantees on student finance for EU nationals. Those guarantees are not altered if the UK leaves the EU without a deal.

For courses starting in 2020, we understand how important it is that students and institutions have information available for student support before applications for courses are open. Applications for courses starting in the academic year 2020-21 do not open until September 2019. I am sure that the noble Baroness will say that that deadline is coming up quite shortly. The Government are aware of that and will ensure that students and institutions have the information they need well in advance of that date.

The noble Baroness, Lady Smith of Newnham, asked about teaching and stated that fewer students in the UK were starting teacher training, which is an interesting point. In September 2018, we announced a renewed package of generous financial incentives for international teacher training, including tax-free scholarships worth £28,000 and tax-free bursaries worth £26,000 for trainees in modern foreign languages.

The noble Baroness, Lady Brinton, asks what guarantee I can give from the Home Office that there will be free movement for students. The immigration White Paper published in December, which she will know about, sets out the Government's position on this issue and on a future single immigration system for the UK. The White Paper proposals on post study went further than the MAC recommendations for students, extending post-study work to six months for undergraduate students attending institutions with degree-awarding powers, six months for all master's students and 12 months for PhD students. There is no limit on the number of students who can come to study in the UK, nor is there any intention to impose one.

Baroness Brinton: I apologise if I did not make myself clear, but my question was about people taking part in research projects rather than students and concerns about the immigration White Paper.

Viscount Younger of Leckie: Given the time, I shall write in answer to that question.

Baroness Warwick of Undercliffe: Perhaps I, too, might press a point which I raised. I appreciate entirely the helpful comments that the Minister has made about the actions that we will take in the event of a deal, which I shall read carefully. I raised a question about the amounts that would be saved in the event of no deal because we would not be spending them on these two programmes and the reassurance it would give if that money was guaranteed to be reapplied to whatever schemes the Government chose to invest in subsequently.

Viscount Younger of Leckie: The noble Baroness would not expect me to be able to give any particular reassurances, but my understanding is that the money would return to the Treasury. Then the question is what the Treasury would do. If I am wrong on that, I shall write, but I think that I should write in any case to provide clarification. That is the normal process.

Lord Krebs: I thank the Minister and am sorry to interrupt at this late hour. One of the questions that I ended with was about European Research Council grants being for blue-skies research. Can the Minister comment on the thinking, perhaps in Professor Sir Adrian Smith's report, about what we would do nationally if we were not part of the ERC and whether it would be clear that any new scheme would be for blue-skies research rather than strategic or applied research?

Viscount Younger of Leckie: I am sure that question will somehow get back to Sir Adrian. Again, I will take it away and if there is an answer that I can give to the noble Lord in writing, I most certainly will.

Lord Bilimoria: I am extremely sorry and thank the Minister for giving way. I asked quite a few pointed questions and he has not answered any of them. I would be grateful if he could write to me, copy in all Members who have participated and put a copy in the Library of the House.

Viscount Younger of Leckie: I said at the beginning that I was not sure that I could answer every single question. I know that the noble Lord, Lord Bilimoria, has taken part in many debates that I have responded to. I apologise to him; my intention is always to answer every question. I know that he feels passionately about the position that he takes, but, given the time, I will certainly write to him.

I hope that I have demonstrated to your Lordships today the work that the Government are doing to ensure that the UK maintains its position as a world leader in education, research and innovation and as a nation that remains open to international mobility. As noble Lords will have noted, on Thursday the Commission announced results of the 2018 ERC advanced grant call. This is great news, as senior researchers based in the UK secured 47 of the 222 grants awarded, reaffirming that the UK research and innovation community maintains its world-leading status despite

all the uncertainties. I am pleased to confirm that these grants will be funded through the underwrite guarantees should we leave the EU without a deal. That will ensure that this ground-breaking research can go ahead.

I thank again the noble Lord, Lord Jay, and all noble Lords for taking part in this debate and for some incisive and thoughtful comments.

9.04 pm

Lord Jay of Ewelme: My Lords, I am grateful to all those who have taken part in the debate and I am also grateful for the Minister's thoughtful reply. The debate

has shown that there continues to be real concern both inside and outside the House about the potential cost of Brexit to many of our young people and to our universities. There is a real need for the Government to do all they can to mitigate the adverse effects of that. As my noble friend Lord Krebs said, there really is no upside to this. However, I am sure that the Minister will take that message back to his colleagues, and I much look forward to the government response to our report.

Motion agreed.

House adjourned at 9.05 pm.

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