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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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The following abbreviations are used to show a Member's party affiliation:

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

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House of Lords

Friday 8 January 2021

The House met in a hybrid proceeding.

11 am

Prayers—read by the Lord Bishop of Rochester.

Arrangement of Business

Announcement

11.06 am

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber, others are participating remotely, but all Members will be treated equally. I ask all Members to respect social distancing. If the capacity of the Chamber is exceeded, I will immediately adjourn the House. The time limit for the following debate is five hours.

EU-UK Trade and Cooperation Agreement

Motion to Take Note

11.06 am

Moved by Lord True

That this House takes note of the Trade and Cooperation Agreement reached between the United Kingdom and the European Union.

Relevant documents: 32nd Report from the Delegated Powers Committee, 21st report of the Constitution Committee

The Minister of State, Cabinet Office (Lord True) (Con): My Lords, in opening in this difficult week, I affirm our unqualified and unending respect for this Parliament and its institutions, and for democracy and democratic decisions.

I am grateful to be opening this debate. No fewer than 125 noble Lords took part in last Thursday's debate for the Second Reading of what was then the European Union (Future Relationship) Bill, but the time for contributions and reflections was necessarily compressed—as it is again today, I understand. With much still to pore over and deliberate, I welcome the opportunity—as, I know, will my ministerial colleagues—that today's occasion affords to take your Lordships' wisdom further. I particularly look forward to hearing the maiden speech of my noble friend Lord Wharton of Yarm.

Since last we were here together, we have welcomed in a new year and a new chapter for the United Kingdom. We have kept faith with the British people who voted in 2016 to leave the European Union in the largest democratic exercise in this nation's history: a vote for freedom, for parliamentary sovereignty and for change.

I am grateful to your Lordships for enabling the Bill's passage in such unusual circumstances. Its enactment into law enabled the trade and co-operation agreement

to be provisionally implemented and our future relationship with the European Union to begin. As I said in this House at Second Reading:

“The nature of any compromise is that not everyone gets what they wish for.”—[*Official Report*, 30/12/20; col. 1921.]

Overall, however, this deal is good for both the United Kingdom and Europe. A no-quota, no-tariff deal is good news for families and businesses in every part of the United Kingdom.

This Canada-style agreement, worth more than £650 billion, is the first free trade agreement based on zero tariffs and zero quotas that the EU has ever reached with an independent country. As of 1 January, the United Kingdom now enjoys full political and economic independence. The pledges made to the British public during the 2016 referendum and in the general election last year have been delivered. From now on, our laws will be determined by our elected politicians, and MPs will be accountable to the voters who send them to Parliament to legislate on their behalf.

The Canada-style agreement takes back control of our laws, borders, trade, money and waters. It ends any role for the European Court and protects the Belfast/Good Friday agreement. It provides certainty for business, from service providers to our world-leading manufacturers—including our car industry—thus safeguarding highly skilled jobs and investment across our country.

We have protected the integrity of our internal market and Northern Ireland's place within it thanks to the agreement on implementing the protocol that exists as part of the withdrawal agreement. That was struck with the European Union earlier in December by my right honourable friend the Chancellor of the Duchy of Lancaster. To support traders in preparing for the end of the grace period, the UK Government will work with supermarkets, retailers and their suppliers to move to new end-to-end digital systems that will enable goods to be moved in accordance with the protocol in the most streamlined way possible. This will be backed by a major injection of new UK Government funding as part of the broader support package we have announced.

My right honourable friend the Chancellor of the Duchy has also been working hard to ensure that our borders and the many businesses involved in trading with the European Union were prepared for the end of the transition period on 31 December. To that end, the Government have worked closely with hauliers, carriers and relevant operators on the requirements of a number of systems. All the necessary changes, including changes to IT systems, were carried out successfully in the run-up to 31 December.

In addition, we have put in place measures of support to mitigate potential teething problems following our exit from the EU customs union and the single market and will continue to work with stakeholders to work through any disruption that arises. But noble Lords should recognise that, even though we have left behind the EU customs union, the EU single market and, indeed, the EU's entire legal order, we are not walking away from Europe—quite the reverse. This

[LORD TRUE]
agreement—this new chapter for global Britain—is also the beginning of our new partnership with our closest neighbours.

We have already seen that friendly co-operation at work. On New Year's Eve, the Foreign Secretary announced that, working side by side with the Chief Minister of Gibraltar and following intensive discussions with the Spanish Government, we reached agreement on a political framework to form the basis of a separate treaty between the UK and the European Union regarding Gibraltar. We have sent this to the European Commission to initiate negotiations on the formal treaty. All sides are committed to ensuring border fluidity, which is clearly in the best interests of the people living on both sides. We remain steadfast in our support for Gibraltar and its sovereignty. We have a warm and strong relationship with Spain, which we look forward to building on in 2021.

On financial services, this agreement provides a stable foundation for us to develop our future relationship with the EU and facilitate new arrangements to promote international financial services trade. Alongside the agreement we have agreed a joint declaration on regulatory co-operation in the area of financial services. This sets out the commitment to structured regulatory co-operation on financial services, with the aim of establishing a durable and stable relationship. The parties will now discuss how to move forward with equivalence determinations between the European Union and the UK and will codify this in a memorandum of understanding on regulatory co-operation by the end of March.

On the creative industries, and musicians in particular, I heard the remarks made by many noble Lords in last week's debate. The Government recognise the importance of the UK's thriving cultural industries. We recognise that there will be some additional processes for those working in the creative industries. However, our agreement with the EU contains transparency and procedural facilitation measures that will help ensure that visa processes are as prompt and smooth as possible.

During our negotiations with the EU, the UK proposed measures that would have allowed musicians to travel and perform in the UK and the EU more easily, without needing work permits. Specifically, we proposed including the work done by musicians, artists and entertainers, and their accompanying staff, in the list of permitted activities for short-term visitors. In practice, this would have delivered an outcome closer to the UK's approach to incoming musicians, artists and entertainers, but these proposals were, sadly, rejected by the EU.

We have always been clear that the safety and security of our citizens is the Government's top priority. This agreement delivers a comprehensive package of capabilities that will ensure that we can work with counterparts across Europe to tackle serious crime and terrorism, protecting the public and bringing criminals to justice. We have agreed streamlined extradition arrangements based on the EU's surrender agreement with Norway and Iceland, but with stronger safeguards. The deal supports effective operational co-operation with Europol and Eurojust. It also enables the fast

and effective exchange of national DNA, fingerprint and vehicle registration data via the Prüm system to aid law enforcement agencies investigating crime and terrorism.

The Government are already taking advantage of the opportunities available to us as an independent, sovereign nation, and we will continue to do so. As of 1 January, we abolished the tampon tax, honouring a government commitment. This was made possible only by the end of the transition period and the freedom from EU law mandating VAT on sanitary products.

Last week my noble friend the Leader of the House set out the fundamentals of the trade and co-operation agreement. I have focused on some of them today and given the House an update. We believe that the agreement will help unlock investment and protect high-value jobs right across the United Kingdom, from financial services through to car manufacturing. The UK can now regulate in a way that suits the UK economy and UK businesses, doing things in a more innovative and effective way without being bound by EU rules. We will now take full advantage of the remarkable opportunities available to us as an independent trading nation, striking trade deals with other partners around the world. I look forward to hearing fruitful and positive ideas from your Lordships in the course of this debate.

11.16 am

Lord Bassam of Brighton (Lab) [V]: [*Inaudible*]—has always said that to crash out of the transition with no deal would have been unthinkable, creating uncertainty, endless negotiation and damage to businesses in exposed sectors, particularly manufacturing and farming. To flirt with that option was highly irresponsible, so, faced with this deal or no deal, we voted in the national interest for the least-worst option for business, supply chains, the economy and jobs.

Make no mistake: this is Prime Minister Johnson's deal. We believe that it falls short of what the Government promised. Ultimately, the Prime Minister owns the agreement and must take full responsibility for its shortcomings, including any lack of preparedness.

This is a thin deal and its flaws will be exposed over time. It will need fixing for the future. Labour will guard against any attempts to water down working and environmental protections. We accept that we will inherit this deal after the next election, but we intend to build from it as a means of promoting British interests.

With the deal now in force, Ministers must act to properly support British industry as it adjusts to new trading rules, builds supply chains and expands into new markets. We are focused on making this country the best place to be. The biggest challenges facing our country and planet require co-operation and international solutions. Labour in government will work with others to tackle those.

In his statement announcing the deal, the Prime Minister incorrectly claimed that there will be no new non-tariff barriers on British business. Since then, we have heard suggestions from other Cabinet Ministers that non-tariff barriers might be a good thing because

they get businesses match-fit for international trade. After a year of economic uncertainty and Covid upheaval, how can any new costs to business be positive?

The Northern Ireland Secretary incorrectly claimed too that the agreement eliminates the need for the Irish Sea border. We have already seen Sainsbury's in Northern Ireland having to stock products originally destined for SPAR shops across the island of Ireland as part of its contingency planning. So can the Minister confirm that, contrary to the statement by the Northern Ireland Secretary, the Northern Ireland protocol remains in place, alongside various customs burdens that come with it?

The Prime Minister and the International Trade Secretary repeatedly celebrate the UK signing more than 60 trade agreements. Most of those are rollovers and, in the case of Japan, could be worth less to the UK than if Her Majesty's Government had rolled over the existing EU-Japan agreement. When do the Government expect to start striking trade agreements that take us beyond what we already had?

The Prime Minister also presented the deal as a spectacular victory for the whole economy, before being obliged to admit that it is limited on services, particularly financial services. In recent days there have been reports of capital flows from London to EU financial centres. Can the Minister confirm whether the Government already need to seek further negotiations with the EU to improve UK firms' access to EU financial markets? What steps are being taken to allow access by the insurance industry, another large contributor to the UK economy?

The deal does not allow for the full mutual recognition of professional qualifications that many sectors rely on. Particular concern has been expressed by the legal profession. Can the Minister confirm the status of patent and trademark attorneys, for example, as these are not specified in the treaty's definition of "lawyer" for the United Kingdom?

The Minister claimed earlier that the Government have protected our security interests and that the deal would not impact on the security capability, arguing that our police and intelligence service might do better in the current arrangements. We accept that the deal covers aspects of security co-operation, but can the Minister explain exactly how the loss of real-time access to key databases enhances our ability to keep people safe? I am told that the Home Office plans to create a parallel platform. What are the timescales and costs associated with this project?

In the first days of the new agreement, there were multiple reports of citizens being unable to travel between the UK and the EU because of documentation. Can we be assured that the Government are on the case to resolve these issues? What is the situation regarding UK motorists and the green-card-free circulation zone?

This is just a flavour of the issues which will recur and grow over the next few years. Like my party, I am a pragmatist. It was complicated being a member of the EU, and it will be a complex world outside it. The Prime Minister's desire for the UK to be "world-beating" and to go where others fear to tread in the world of trade might be laudable as an ambition. My fear, and

that of our party, is that the level of incompetence displayed by the Government will be writ large and hamper our ability to take best advantage of even this thin deal.

11.22 am

Lord Oates (LD) [V]: My Lords, the Minister's suggestion in his opening remarks that the people of this country were not free when we were members of the European Union is deeply offensive, and I ask that he withdraws it.

Last week, we had three minutes to speak on an 85-page Bill to give domestic effect to this agreement. Today, we are given two minutes to debate the detail of the most important trade agreement we are ever likely to sign. To call this a farce is an understatement. It is a mockery of parliamentary accountability and scrutiny. The Government have repeatedly heard representations from across this House expressing deep opposition to the continuation of farcical procedures such as this. When will they listen?

In the time available, I will focus on two issues: the collaboration between the UK and the EU on energy issues and scrutiny of EU energy measures; and the decision to withdraw from the Erasmus scheme. As the Minister will be aware, the energy sector is concerned about the impact that our withdrawal from the single energy market will have on formal collaboration with the EU on research projects. This is particularly important as the UK and the EU seek to decarbonise their energy supplies. What reassurance can the Minister give the House on this point?

Secondly, Northern Ireland will continue to be governed by the rules of the single energy market. What provisions do the Government intend to put in place for the Northern Ireland Assembly and this Parliament to scrutinise EU legislative measures governing that market, and how will the people of Northern Ireland and their representatives be able to influence the rules that now apply to them?

Lastly, will the Government reconsider their position on Erasmus? The Minister just told the House that we are not walking away from Europe, so why leave the Erasmus scheme, which includes many non-EU countries? The Turing scheme proposed as a replacement is not only vaguely defined; more importantly, it is a unilateral scheme, meaning that we will not gain from an exchange of students, which is what makes Erasmus such a rich experience for students and countries taking part. I appeal to the Government to rethink this.

11.24 am

Baroness Finlay of Llandaff (CB) [V]: My Lords, I declare my interests in Wales and in Cardiff University.

In the Trade Bill debate, many warned of the long-term consequences of the UK Government's approach to the devolved Administrations in recent times. Responding, the noble Viscount, Lord Leckie, stated that the Government are now listening. Communications improved in the autumn but must now be maintained and accelerated, with reinstated regular scheduled meetings between First Ministers in the devolved Administrations and the Prime Minister, to share issues of concern early to return stability to the union.

[BARONESS FINLAY OF LLANDAFF]

The Bill to implement the agreement was pushed through with remarkably little scrutiny. Power has been amassed in Whitehall with little regard for the checks and balances needed for the functioning of the internal market, yet this morning's news already is of problems at ports—the very routes for our trade for livestock and fish. I remind the House that Wales is the route to Ireland.

Research and innovation is crucial to UK science. We must not slip. Our collaborations must be re-established and strengthened through Horizon Europe, European Research Council initiatives, Erasmus and scientific training opportunities.

For individuals, medical difficulties are already emerging. Take medical cannabis, the supply of which must be unlocked urgently for children with refractory epilepsy, for whom repeated episodes of uncontrolled fits risk further brain damage.

The treaty commits the UK to the use of the precautionary principle, but it will come under pressure from other trade negotiations, notably the US, to abandon this principle, and from developments such as the decision to start investigating gene editing. Can the Minister explain how this obligation set out in the agreement will be fulfilled and how the agreement will be honoured?

11.26 am

Lord Bridges of Headley (Con): My Lords, I pay tribute to all those who have shepherded Brexit legislation through this House since I stood at that Dispatch Box and triggered Article 50. I also congratulate the Government, especially the Prime Minister, my noble friend Lord Frost and the entire negotiating team, on the deal.

I do not want to dive into details on the Bill, but to take a step back and ask some basic, simple questions—the same questions that I asked shortly after I resigned as a Minister. Having taken back control, what do we want to do with our new powers? Do we want to chart our own course and paddle our own canoe and, if so, what is the destination, or is the plan to follow in the EU's wake?

From those questions, many others follow. Consider financial services, and here I draw your Lordships' attention to my entry in the register. I am delighted that the Chancellor wants to make the UK a global leader in fintech and green finance, but as we do that, should we not think more broadly about how we might update but not weaken our regulations—which after all were created for an analogue age—for the digital green future, even if that might mean divergence from the EU at some point? Are we too fixated on equivalence?

We should ask similar, challenging questions about other parts of the economy. For example, how can we make the UK the best place to innovate in green, sustainable technology? How can we ensure that our employment laws continue to make us globally competitive and are fair for workers in the gig economy? The list of questions is long, and the answers may or may not require us to diverge from the EU in the future, but we must answer them now, starting with those basic ones

if we are to prosper in the years ahead, and, more immediately, if we are to make the most of holding the presidency of the G7 and hosting COP 26.

At the moment we have a laundry list of policies—reviewing chemical regulations, banning live animal exports, blue passports, taking back control of our waters and so on—so I look forward to hearing the Minister, with his usual eloquence, putting my mind at ease and giving me the confidence that there is indeed an oven-ready plan and strategy in the post-Brexit world, and that we are not making things up as we go along.

11.29 am

Lord Blunkett (Lab) [V]: My Lords, in two minutes it is not possible to deal with the inadequacies of this legislation and the treaty—from security to services, and from bureaucracy to our diminishing global influence—but I will just say this on security. The withdrawal from Europol and Eurojust, the failure to have real-time entry into the Schengen database, and the way in which we have withdrawn from the European arrest warrant will be regretted for a very long time to come.

I want to look to the future. The Minister mentioned Gibraltar and the issues concerning Northern Ireland. The two taken together—the proposed treaty for Gibraltar and its remaining in Schengen, and the single market, which effectively continues in Northern Ireland, with the border running down the Irish Sea—paint a very different picture for the future which will be exploited by those in the Scottish National Party who seek to use every opportunity to reopen and re-engage with the destruction of the United Kingdom. I believe that this deal accelerates the possibility of a united island of Ireland within the next 25 years. It is a century since the 1921 legislation was introduced as part of the agreement on partition. A century later, we are faced with the contradictions that exist in terms of Northern Ireland and its relationship with the European Union and the contradictions that are therefore accorded to its relationship with the rest of Great Britain.

All those things bode extremely ill for the future and, to top it all, we have replaced the Brussels bureaucracy—used so much in the Brexit arguments—with the bureaucracy that we see today on our borders in terms of distribution, hold-up and diminution in trade. It is a disaster.

11.31 am

Baroness Bowles of Berkhamsted (LD) [V]: My Lords, first, I thank the team of the noble Lord, Lord Callanan, for engaging with me on the patent attorney queries in the TCA.

That enables me to move on to financial services and the Governor of the Bank of England's warning that we should not pursue equivalence if it means following the EU's rule of software counting as bank capital—an idea that I quashed in my EU days. Equivalence is defined as having legislation at least as stringent, which should mean that it is free from maximum harmonisation and allows higher standards of capital. Has that been acknowledged as a starting point? If not, then I agree that it is a problem.

Turning to competition, I welcome potential co-operation between competition authorities, and I hope that it happens. Findings show that consumer harm resulting from cartels and dominance often leads to follow-on actions for damages, so is there an appetite to re-enable UK and EU follow-on actions relying on one another's findings?

On state aid, I welcome the exemption for compensating damage caused by natural disasters or exceptional non-economic occurrences, and I note that it would restrict some of what the EU did in the financial crisis. However, subsidies financed at supra-national level are excluded from the independent subsidy control bodies and co-operation between such bodies, which seems to cover all EU aid. Does that mean that EU aid is excluded from remedial measures under this agreement, leaving it to WTO measures, or can action be taken under this agreement's remedial measures?

Finally, does the UK have freedom to create state-owned investment and development banks, such as in Germany? These were grandfathered under EU law but not allowed to be newly created on similar terms.

11.33 am

Lord Hunt of Wirral (Con): My Lords, I draw attention to my entry in the register. I share the general relief that a deal was achieved, but the agreement does not cover services.

I am proud of the UK insurance and long-term savings industry—the fourth largest in the world—and there are three connected matters that I would like to raise. The first is the so-called green card. We assume that the UK will remain in the scheme, but early confirmation is vital. Secondly, it is high time that the Government reintroduced an international competitiveness duty into the UK's regulatory framework.

Thirdly, on equivalence, the UK has granted Solvency II equivalence to EU insurers and reinsurers under all three tests, and we must now seek reciprocal recognition from the EU of the UK's prudential regime. Equivalence would offer much-needed stability, but I believe that we must fashion far bolder plans for the future. Our skill at brokering insurance is nonpareil, but it is striking how few major international firms have even considered locating their headquarters in the UK. To establish the UK as the leader in financial services, we need a comprehensive strategy with support from the very top to make this an attractive place to be. This requires a proportionate and effective regulatory regime, but it is also about schools, neighbourhoods and the sectors that are being cruelly punished by the pandemic—notably, our hospitality and creative sectors. We must press for what my noble friend the Minister mentioned earlier—reciprocal, visa-free travel arrangements for touring performers and crews.

So, the withdrawal agreement is wholly welcome but we must now move swiftly from the era of mitigation to an era of opportunity.

11.35 am

Lord Patel (CB) [V]: My Lords, I want to focus my remarks on the agreement as it relates to the future UK-EU science research relationship. Scientists,

researchers and academics are delighted that the UK will continue to participate, albeit as an associate member, in Horizon Europe, an €85 billion research programme. Apart from participation in research programmes, the agreement will shape data-sharing and regulation, research student exchange, nuclear research, space research and clinical trials.

Although the good news is that UK scientists will be able to benefit from grants under Horizon Europe programmes and from the European Research Council, and take part in the Marie Skłodowska-Curie Actions programme, can the Minister confirm that the UK is excluded from the European Innovation Council Fund, designed to support start-ups and SMEs? This is a big loss. From the start of the Horizon 2020 programme up to December 2019, the UK had received £694 million in SME funding, involving 2,400 UK participants. How will the UK fund the aspects of research that lead to innovation? Also, there will be a cap on the total funding for research that the UK can receive in grants, above which there will be a penalty clause. Can the Minister clarify that?

Agreement on the mutual recognition of quality standards for medicines will allow for the unhindered movement of drugs, including the testing of drugs for clinical trials, but any cross-border, multicountry clinical trials, which are very necessary for rare diseases and cancer, will require the UK to be represented legally in the EU—a big drawback. Furthermore, until the data protection regulations are agreed, the transfer of patient data from clinical trials cannot take place. The Minister may wish to comment on that.

Finally, I turn to the deal as it relates to the movement of research students et cetera from the EU, related to the implementation programme. They are expected to be treated in the same way as domestic people under a review of services and so on. It would be helpful to understand how this will work in the context of the new immigration system and regulations. I look forward to the Minister's response.

11.38 am

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, I take this opportunity to look at the agreement as it intersects with the Northern Ireland/Ireland protocol. Undoubtedly, the agreement is very complicated and it will take a long time to work out the processes, but I say to the Minister that there have already been teething problems with food supplies from the large supermarkets in Britain to Northern Ireland and those processes need to be simplified. Apparently, there were problems last week caused by issues at the port of Dover.

There are four overriding concerns for Northern Ireland as they bear down on the TCA and the protocol, and I would like the Minister to address them in his wind-up. How will the evolution of the TCA be connected to that of the protocol? How will the governance of the protocol, including its unique institutions for that purpose, be linked into relevant areas of governance for the agreement—for example, in the specialised committees for SPS measures? How will the British/Irish and north/south strands work to develop substantive and serious bilateral arrangements to meet the gaps in the agreement and the common travel area? When the

[BARONESS RITCHIE OF DOWNPATRICK]

real impact of Brexit takes effect in Britain and the EU, how much care and flexibility will either of them be prepared to show the small but fragile region of Northern Ireland, on the periphery of both?

Finally, will the Minister have conversations with his colleagues in Defra about the fisheries? I know that fisheries were not dealt with in the legislation, so when will there be supplementary legislation, and will there be enhanced funding for the improvement of infrastructure to facilitate all the fish that the fishermen will be catching?

11.40 am

Lord Wharton of Yarm (Con) (Maiden Speech): My Lords, it is an honour to address your Lordships' House for the first time. I thank those who have made me so welcome and been so helpful in my time here so far: the doorkeepers, the staff, Black Rod and of course Garter. I thank those who introduced me, my noble friends Lord Callanan and the noble Baroness, Lady Pidding.

I started my career in politics in this building, although not in this place, when I was privileged to represent the constituency of Stockton South, my home town, for seven years. In that time, I served under both David Cameron as the Minister for the Northern Powerhouse and Theresa May as the International Development Minister for Africa.

In 2013, I brought private Member's legislation, which was an attempt at that time to legislate for a referendum on our membership of the European Union, topical to the matters that have preoccupied the House for some time in the intervening years. It was successful as legislation in the House in which I was then present. My noble friend Lord Dobbs did a valiant job of attempting to persuade your Lordships to support that Private Member's Bill at that time but was unsuccessful on that occasion, although of course an awful lot has happened in the intervening years.

An awful lot has happened and an awful lot has challenged many of our political systems. Having had the good fortune to work in some capacity with at least the last three Conservative Prime Ministers, including the present one, and to have watched the political debate now in this House and then as a representative of my home town, I fear that our politics has become more divided and fractious. I hope, therefore, that as we debate the deal that has been done, and it is indeed now done, we recognise that the UK has now left the European Union and is now free to forge its own future, whatever disagreements we might have about that future and the shape that it should take, that we can set a better and more positive tone, that future debates will better reflect on both Houses and our political system, and that we can unite the country with better, more positive and closer working arrangements that in truth will better reflect how most people feel we should behave.

11.43 am

Lord Polak (Con) [V]: I congratulate my noble friend Lord Wharton on his maiden speech. How appropriate, as he said, that he has spoken in today's

debate, as it was he who introduced the Private Member's Bill advocating a referendum on Britain's membership of the EU. He pioneered the northern powerhouse and was a successful Minister in International Development, and, as the youngest Member of your Lordships' House, is likely to be here long after most of the rest of us.

Unlike my noble friend, many noble Lords are lamenting the replacement of Erasmus with Turing. Some noble Lords are unable to see opportunities. Why is it that they cannot seize the chance to ensure that the best of Erasmus is implanted into the new global scheme, which has the potential to benefit so many young people? Having carefully reread the debate in your Lordships' House on 30 December, I believe that one of the most perceptive comments came from my noble friend Lady Noakes when she said that the crisis we face in the House is not to do with the increased numbers of Peers but that the House has just lost touch with our nation. Those who wish to begin campaigns to rejoin the EU or speak of the so-called utopia of being in the EU are misguided and mistaken.

I congratulate, and recognise the diplomatic and negotiating skills of, my noble friend Lord Frost, and support the tenacity, determination and courage of the Prime Minister. I acknowledge that tactically in government they pulled off a practical and pragmatic result that has been warmly welcomed around the country and should also be warmly welcomed in this House.

Lastly, it appears that the terror group Hamas in its entirety is no longer subject to Treasury financial sanctions as it was on an EU listing. Can the Minister confirm, in writing if he is unable to answer today, that Hamas, which clearly has not changed from being a terror organisation over the past couple of weeks, will rightly continue to find itself subject to Treasury financial sanctions?

11.45 am

Lord Reid of Cardowan (Lab) [V]: My Lords, it is a sad irony that this trading co-operation agreement—so-called—will assuredly result in less trade and reduced co-operation with the European Union. The best thing that can be said about it, and it has been said, is that it is better than no deal, but it is emphatically not better than our previous position. I ask the Minister: when have any Government entered trade negotiations with the expectation—indeed, the express objective—of ending up with arrangements that reduce opportunities and increase impediments to trade relative to the status quo ante? That is precisely what this agreement does.

In trading with the EU, we now face more bureaucracy, as people have pointed out, greater regulatory impediments, weaker mutual recognition of professional qualifications, and a new ambiguity in supply chains, while in a week when we hear that 4,000 City firms are at a heightened risk of failure due to the Covid crisis there is next to nothing on the services sector, which comprises 80% of our trade with the European Union. As my noble friend Lord Blunkett pointed out, there will of course also be less co-operation on security and policing and weaker regulation of data flows. Yet the

Prime Minister urges us to rejoice and celebrate this deal as though it were some great victory, another Waterloo. That is the maximum self-delusion. This is not a Waterloo; if anything, it is a Dunkirk. It is a temporary reprieve from a disastrous strategic mistake, and I am sure the future will show us that neither trade nor prosperity are won by evacuations.

11.47 am

Lord Alderdice (LD) [V]: My Lords, I welcome the noble Lord, Lord Wharton of Yarm, to the House. I commend him on an excellent maiden speech, and I hope he will enjoy a long and fruitful membership of this House.

The Minister referred to the Second Reading debate. Speaking last Wednesday, he graciously acknowledged that in taking a very brief break to bolt down his fish and chips he missed my question, so I will put it again, along with another one.

Brexit and the debates that led to it have seen the release of powerful nationalist forces that will not be put to bed by Brexit. The Prime Minister's ambition to take back control is now being turned against him within the United Kingdom, for the Scots, the Welsh and the Irish do not want to take back control from Brussels only to hand it to London. That is why the Minister had to acknowledge in that debate that the Government are unable to get legislative consent Motions passed in Edinburgh, Cardiff and Belfast. The appearance of a de facto border down the Irish Sea is a practical example of the fissures opened up by the powerful centrifugal dynamic that Brexit has released. Can the Minister tell us what the Government will do to hold the UK together?

In asking my second question, I draw the House's attention to my interests at the University of Oxford as declared in the register. Post Brexit, as the TCA makes clear, we are outside the previous ready access to the larger territory and population of the EU, but we are fortunate that cyberspace gives us a new environment in which to operate, less hindered by our reduced territorial footprint. The pandemic has also demonstrated how the creativity of our people and businesses can benefit not only our own country but the whole world through the production of an excellent vaccine and effective treatments.

How will the Government enable our people and businesses throughout the country to exploit the possibilities of the digital world when, as Meg Hillier, chair of the Public Accounts Committee of the other place, has reported on its behalf, they are failing to deliver on their promises of digital connectivity? When Brexit and Covid make high-speed broadband essential, how will the Government address these shortcomings so that they do not compound and exacerbate the inequalities and isolation of our population and businesses post Brexit?

11.49 am

Baroness Wheatcroft (CB) [V]: My Lords, it is a pleasure to follow the noble Lord, Lord Alderdice, as I agree with everything he said. The Minister said that any deal was a compromise but, while the UK Government laud their success in the negotiations and the Prime Minister declared that we have succeeded in

“having our cake and eating it”,

that is not the case. The EU interpretation of the deal is naturally very different. It points out that

“the Trade and Cooperation Agreement does not cover any decisions relating to equivalences for”,

among other things,

“the UK data protection regime, or the assessment of the UK's sanitary and phytosanitary regime for the purpose of listing it as a third country allowed to export food products to the EU. Indeed, these are unilateral decisions of the EU and are not subject to negotiation.”

The impacts of that are already being felt. While there has been government triumphalism over the issue of fishing, our shellfish industry faces decimation. Much of its produce was exported to the EU, but now there are huge new obstacles, both bureaucratic and financial. Could the Minister comment on that?

This agreement is better than nothing, but it is dividing the country. There is now a border in the North Sea. The Government consistently try to deny this, but there is now an effective border between Great Britain and Northern Ireland. We have seen how this has affected Sainsbury's. The Kennel Club, no less, is also deeply concerned about the new obstacles facing those in Northern Ireland who wish to compete in dog shows in Great Britain. The horseracing industry in Ireland is very concerned about how it will face bureaucratic challenges and more expense. These charges can make life prohibitive. This is a tiny example of the deleterious impact of this deal. Far from having our cake and eating it, we will be going increasingly hungry.

11.51 am

Lord Vaizey of Didcot (Con): I congratulate my noble friend Lord Wharton of Yarm on his excellent maiden speech. I look forward to working with him for decades to come in the House of Lords.

I am very pleased we have a deal. It is the end of the beginning. I hope that the dynamics, which have been changed by having such a significant economy as the UK now outside the EU, will lead to some pragmatic co-operation—perhaps with us working more closely with countries such as Norway and Switzerland, and even perhaps Turkey. These are countries which find themselves on the border of the most significant economic trading bloc in the world. I hope that we will see ourselves engaging in pragmatic ways that help our businesses and our economy, rather than taking refuge in the petty nationalist rhetoric that has characterised the Brexit debate for far too long.

When I talk about pragmatism, of course I naturally turn my attention to the arts, culture and creative industries. I hope the Minister, who mentioned them in his opening remarks, and his colleagues will keep a relentless focus on measures to support them. For example, the ability for our tech start-up community to access talent from Europe and the touring opportunities for musicians, which the Minister referred to, need to be sorted out. We need talent visas that allow people to travel as freely as possible between the UK and EU. It is not just people; it is the movement of equipment. I understand that the Government have succeeded in securing the free movement of production equipment—except, bizarrely, there is a lack of clarity as to whether that can move between Great Britain and Northern Ireland without a carnet. I hope that the Minister will

[LORD VAIZEY OF DIDCOT]

also look at the exclusion of the audio-visual industries from the state aid arrangements under the treaty. I would be keen to explore the implications for the film tax credit for productions that cross borders. There is a huge impact on broadcast licences and a need to secure data arrangements between the EU and the UK. There is a whole to-do list to support our world-beating creative industries. I hope that Ministers will focus on this in the months and years to come.

11.54 am

Lord Robertson of Port Ellen (Lab) [V]: My Lords, what do you say in two short minutes on one of the most important treaties signed in our lifetime? Well, first, I can say that this process of scrutinising an already signed deal is an accountability disgrace. The Brexiteers said “Bring back control,” but the Maastricht treaty took 300 hours of scrutiny over 14 months whereas this hugely significant treaty is only going to get a couple of days and two-minute speeches. So much for taking back control.

Secondly, I can state the obvious: that we are leaving the EU but not Europe. Brexit does not change geography, history, economics or common security threats. For good or ill our destiny will still be affected, and in many ways determined, by the actions of the EU 27—it is just that we will not have a say in designing that destiny.

Thirdly, I can say that this deal is better than crashing out without any deal, but that is like saying that a 50-year sentence is better than the death penalty. The cold reality is that the EU will do well out of this deal because it was united, and it knew what it wanted and how to get it. We had none of these benefits. Like so many others, I care deeply about my country so I despair at the newly created barriers, especially the non-tariff barriers, which will inevitably foul up the process of doing business across the channel.

Finally, I can say that we now enter a manmade and government-designed mess for the whole country just as we face the nightmare of an out-of-control nature-made virus which has made a complete mockery of that idea of taking back control.

11.56 am

Baroness Tyler of Enfield (LD) [V]: My Lords, last January the Prime Minister told MPs that there was “no threat to the Erasmus scheme.”—[*Official Report*, Commons, 15/1/20; col. 1021.]

What a difference a year makes. In our debate last week, many noble Lords voiced concerns about the absence of a two-way exchange scheme, its funding base and the loss of opportunities to young people, particularly those from low-income backgrounds; and about the effect on our international reputation for keeping to our word. I share those concerns and wish to ask the Minister some further questions.

First, what practical steps have the Government taken to ensure that UK universities can continue to receive incoming Erasmus students from the EU as they export UK Turing students? Have they agreed this with the EU? Secondly, what assessment have the

Government made of the impact of withdrawing from Erasmus in terms of the numbers of EU students studying in UK universities and on the local economies of university towns and cities? Thirdly, could the Government confirm that the £100 million promised for the Turing programme is an annual commitment? How many years do the Government commit to this level of funding? Is the £100 million a budget increase or decrease on a like-for-like basis? Finally, what negotiations have the Government had with the Turing Trust and the Turing family about the use of the name, and what was their reaction?

Brexit has happened, something I profoundly regret. Those of us who believe in the European vision have to accept that and work within the new framework in which our nation finds itself. The idea that we should simply move on is deeply flawed. We must maintain the closest possible relationship with our former European partners to help put right some of the self-imposed errors, such as the withdrawal from the Erasmus scheme.

The noble Lord, Lord Heseltine, wrote in the *Times* earlier this week that

“Brexit is not done: it is a process of change.”

We should not and we must not just move on, as some people would have us do. Like him, I am proud to be a voice for a new, positive and close relationship with Europe as we seek to re-establish our reputation on the world stage.

11.58 am

Baroness Boycott (CB) [V]: During the debate on the then European Union (Future Relationship) Bill, the Prime Minister stated:

“I have always said that Brexit is not an end but a beginning, and the responsibility now rests with all of us to make the best use of the powers that we have regained ... We are going to begin by fulfilling our manifesto promise to maintain the highest standards of labour and environmental regulation.”—[*Official Report*, Commons, 30/12/20; col. 520.]

However, this thin deal is estimated by the IFS to leave our economy 2.1% smaller this year, which means less money available to tackle our environmental challenges.

I am very glad that the fight against climate change is classified as an essential element of the agreement. This means that any serious breach can lead to the suspension or termination of all or part of the agreement, which would materially defeat the object and purpose of the Paris Agreement. It is a very high threshold, but it is one that we must rise up to meet.

However, new analysis by the Green Alliance found that our Government are yet to announce a policy to achieve the 75% of the emissions reductions that we still need to make to achieve our 2030 climate target. Additional policies required include commitments to restore up to 60% of peatlands, raise energy efficiency standards for new homes and mandate car manufacturers to increase production of electric vehicles. There are massive implications for spending, and some reckonings say that we need an extra £22 billion for this. I do not think we can afford not to do it.

Climate change is a world problem, and we are far more likely to tackle it and our nature crisis if we co-operate with our neighbours. As many noble Lords have said, we are still part of Europe. The EU has been

a long-time partner, but this new agreement has, sadly, limited some of the mechanisms we have to promote our shared ambitions—so we desperately need to find further ways in which to negotiate and new ways in which to work together. We have the potential to be both dynamic and co-operative, and in the year that we host the COP, we, as leaders, should guarantee that we co-operate with all interested parties.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): The noble Lord, Lord Desai, is not here, so I call the noble Lord, Lord Sharpe of Epsom.

12.01 pm

Lord Sharpe of Epsom (Con): My Lords, first, I congratulate my noble friend Lord Wharton of Yarm on his excellent maiden speech; I also hope that we will work together for many decades. I was delighted to be able to support the European Union (Future Relationship) Bill last week, and I congratulate the negotiating team, led by my noble friend Lord Frost, and the Prime Minister on delivering on his promises.

I focus on a subject that has attracted much commentary from your Lordships—specifically, financial services and, in particular, equity markets. Here, I draw attention to my interests in the register. Many noble Lords observed that the agreement is thin on this subject, and that is true, but I respectfully remind your Lordships that that was also the case when we were still members of the single market. The regulation of equity markets remains largely at a national, not the EU, level, so I was quite surprised to hear some noble Lords arguing that we have somehow lost our negotiating leverage in this area. If we ever had such leverage, we rarely used it, and, although a recent arrival in your Lordships' House, I cannot recall any fierce arguments, either here or in the other place, when various EU directives, aimed with great precision at the City by our ex-partners in the EU, came into effect over the past decade or so.

As the Minister said, section 6 of the agreement deals with financial services and, specifically,

“reaffirms the integrity of our respective, autonomous equivalence frameworks.”

The joint declaration explicitly sets out an agreement “to establish structured regulatory cooperation ... with the aim of establishing a durable and stable relationship between autonomous jurisdictions.”

That is a very clear commitment and, by March, an MoU will be agreed on the framework for this co-operation. I agree with my noble friend Lord Hunt that we must think very hard about our own regulatory networks going forward.

Therefore, I conclude that your Lordships will have an opportunity to exhibit similar zeal in defending our interests in our future negotiations in the inevitable debates in this House. I also conclude by, perhaps mischievously, suggesting that debate, rather than directive, proves that we are indeed a sovereign nation again, not the rogue nation that some have claimed.

12.03 pm

Baroness Andrews (Lab) [V]: My Lords, we finally have an agreement with Europe, which can only be recommended because it exists at all; it could not have

been held up to the light of Parliament because it would have been ripped to shreds on all sides. It is an agreement made by a Government who stooped to the threat of breaking international treaties as a negotiating strategy and who have yet been comprehensively outmanoeuvred by Europe itself.

It is an agreement that overturns the basic claims that were made for leaving Europe. Will there be less red tape? No—an army of people are now required to police our future. Will the economy be stronger? No—the economic consensus is that value-added exports will fall by nearly 5.5% and GDP by 4.4%. Will there be independence from Europe? No—if we diverge on standards or subsidies, we have agreed that the rule-makers in the Commission and member states can punish us with rebalancing tariffs. Will there be a stronger union? No—we have a more divided country, provoked into further and perhaps final divisions by a Government who ignore the realities of devolution. Will we have a more sovereign place in the world? Hardly, not with our reputation for probity and pragmatism trashed as it has been.

Will we have freedom to do as we want? Yes, if it means reconstructing hundreds of agencies that we had ourselves been responsible for establishing and running. Will we have a stronger democracy? Sadly, no; in their short career, the Government have shown a unique contempt for Parliament. Will there be a brighter future? Not for young people excluded from Erasmus, not for our musicians shut out from Europe at the last minute, not for our universities or for building knowledge, not for our health and social care services—dependent on European medics—not for our farmers or fishermen and not for our financial services, for which passporting is now a distant dream and which still do not know whether they will be granted full equivalence. This is the brilliant agreement, described as such by those who have to believe that it is. We started in the tragedy of a national act of self-harm, and we end in farce.

12.05 pm

Lord Skidelsky (CB) [V]: My Lords, I hope your Lordships will forgive me for not speculating about what this measure will bring forth: it is too long and the time too short. Instead, I will use my meagre ration of minutes to advance two historical reflections. The first concerns the law of unintended consequences. David Cameron's clever tactic was to promise a referendum in 2015 to dish Mr Farage and to keep Britain in the EU; the unintended outcome was Brexit. The moral of this is pretty obvious: do not sacrifice your long-term strategic goal to short-term practices.

The second, deeper reflection concerns the “cunning of reason”. When Hegel wrote that the owl of Minerva flies at dusk, he meant that the direction of history is evident only after the event. In retrospect, one can see a kind of inevitability about Britain's separation, not from Europe—a point made by the noble Lord, Lord Robertson—but from a particular institutional expression of Europe: the European Union. As such, the question is not just about Britain's future relationship with the EU, the subject of this debate, but the future of the EU itself.

[LORD SKIDELSKY]

A few years ago, Wolfgang Schäuble, then German Finance Minister, talked about “variable geometry” and a “multi-speed” Europe—but it may be more accurate to think of the EU going in different directions rather than in the same direction at different speeds. A core of Germanic countries will push for full integration or federalism, and a Mediterranean group will choose more flexible arrangements to preserve crucial areas of national autonomy, such as control over their own currency. I think this is the direction Europe will go, and, if that is so, historians may well see Britain’s leaving not as a breach of a solid structure but as an episode in the reshaping of Europe. The leavers instinctively sensed the flight of the owl; the remainers did not.

12.07 pm

Lord Thomas of Gresford (LD) [V]: I will make three points on the surrender of suspects or convicted persons, previously dealt with under the European arrest warrant. First, according to article 136, under part 3, title XII of the agreement, in the event of the United Kingdom or the European Union denouncing the European Convention on Human Rights, the whole of part 3, all the security provisions, will “cease to be in force”.

What does this mean? If, as a result of the committee of the noble Lord, Lord Foulkes, it becomes government policy to withdraw from the ECHR, do all the arrangements in the agreement for co-operation and security matters automatically fall? How do you denounce—that is the word used—the convention? Do you have to go, like Martin Luther, to the cathedral in Würtemberg and hammer your denunciation upon the door?

Secondly, since all 27 EU countries are placed into Part 1 of the Extradition Act 2003, a request for surrender by an EU country will, unless the person requested consents, result in a court hearing. The agreement provides time limits for compliance with the request. If the alleged criminal comes within the financial limits, he is automatically entitled to legal aid, whatever the merits of his case. What consideration has been given to the impact on our heavily overburdened courts? The noble Lord, Lord True, described this agreement as “streamlined”. I do not think so.

Finally, there are 22 countries out of the 27 that prevent or restrict extradition of their nationals who are third country, which is what we have become. For example, the German constitution forbids it. Will we be extraditing our nationals to Europe without any reciprocity by those states? I appreciate the Minister’s burden today but would welcome a written response.

12.09 pm

Lord Balfre (Con): My Lords, I first draw attention to my entries in the register, in particular my presidency of BALPA, the pilots’ union. Secondly, I welcome the noble Lord, Lord Wharton. I am sure that we will hear much more of him in a very positive light, and I welcome him to this House. Thirdly, I want to make it clear that I fought strongly against the referendum

result. I called for either an election or another referendum. We had an election; the answer was clear. The Prime Minister asked us whether we wanted to get Brexit done. I accept in a democracy that we must now do that. My comments and votes from that day onwards have been destined to try to get the best for my country.

However, I want to raise a number of points on air transport where there is some need for clarity in the agreement. First, on non-regression from levels of protection of social standards, the Government promised not to water down workers’ rights after 1 January and a new employment Bill was announced in the Queen’s Speech on 19 December 2019. Will the Minister take on board that we would like to receive assurances that aviation-specific employment rights and safety rules, such as civil aviation working time regulations, will be protected in the new legislation?

Secondly, on wet leasing arrangements—I do not have time to explain what they are—there is a need for the imbalance between us and Europe to be addressed. Thirdly, flight crew licensing is at the moment biased towards Europe and away from the UK. Could the Minister look at that? Finally, on traffic freedoms, appropriate bilateral agreements with EU states need to be made as soon as possible. Can this be given priority?

12.12 pm

Lord Hunt of Kings Heath (Lab) [V]: My Lords, I want to echo the pertinent questions asked by the noble Lord, Lord Bridges: just what is our future direction and what is the plan? Remarkably, we have in the House at the moment the medicines Bill, which gives Ministers huge power to set the regulatory framework for medicines post Brexit. However, I and other noble Lords are nowhere near knowing whether we will stay broadly aligned with the EU regulations or whether we are going to plough it alone with the potential risks and possible advantages. We really need to know.

Speaking from the West Midlands, I am very glad that the Minister mentioned the car industry. As the SMMT has explained, we need to pursue the wider trade opportunities that Brexit is supposed to deliver. The Government have to double down on their commitment to a green industrial revolution and create an investment climate that delivers gigafactory capacity in the UK, supports supply chain transition and maintains free-flowing trade. These are all essential to the UK car making sector’s future success. I hope that the Minister can say something more about what the Government will do to support this vital sector.

Of course, the future is not just about trade. In his winding-up speech last week, the Minister affirmed the abiding genius of the diverse nations and cultures of Europe. It is particularly unfortunate in that light that the agreement deals such a blow to artists and musicians. As the ISM has said, international touring represents an essential part of many musicians’ livelihoods, with 44% of musicians earning up to half their income from it. The Minister talked about this last week, but what steps will the Government take to protect the UK music sector, making good on the many assurances given just a few weeks ago?

12.14 pm

Lord Curry of Kirkharle (CB) [V]: My Lords, my interests are as recorded in the register. There is no question of the importance and lasting consequences of this agreement. It is eminently preferable to have a deal and a close working relationship with our neighbours in Europe than to have no deal, so I congratulate the Government on the agreement.

I welcome the Government's efforts to ensure that temporary workers can continue to come and work in the United Kingdom and benefit our economy. We rely on seasonal workers in the agricultural and horticultural sectors, as the Minister is well aware. We also rely on vets from the EU in our abattoirs—indeed, a Lords environment committee report confirmed that 90% of slaughterhouse vets were EU nationals. Can the Minister confirm that seasonal workers and vets will continue to be able to work in the United Kingdom within the terms of the agreement and say how this relates to the Government's immigration policy and the proposed points-based system?

I would like further clarity on the independent body that the Government are required to set up to monitor domestic competition law and state aid rules. Further details on whether this is to be a new body or whether the Government intend to revise the powers of an existing body would be welcome.

Finally, I am interested in how the Government intend to respond to the country of origin requirement in the agreement. I fully understand why this has been included in the deal: to prevent back-door, tariff-free imports into the European Union. Does the Minister agree that this is a unique opportunity for the UK to re-energise its manufacturing base, including primary production of food, so that, in complying with the agreement, we are able to export from a growing production and manufacturing industry in the United Kingdom? The weakness of our manufacturing base was embarrassingly exposed when in crisis. We had to pay exorbitant prices for PPE at the start of the pandemic. Can the Minister confirm that the Government will encourage domestic manufacturing and production so that not only can we export within the rules but look forward to an age when we at home can purchase home-produced goods instead of relying on a "Made in China" label, and how they intend to do this?

12.17 pm

The Lord Bishop of Rochester: My Lords, I wish to address an issue which, despite all that is covered by the agreement, remains, at least in part, unresolved. It concerns the position of UK nationals living and/or working in the EU. I declare a personal interest which will become clear. I am indebted to the Bishop in Europe for briefing me on a range of situations which have a serious impact on UK nationals living in his diocese, which covers 25 out of 27 EU states plus the EEA and Switzerland.

A number of the difficult cases concern those whose family and/or work situation involves working or family relationships which cross borders. My own son is a UK national employed in the UK by a multinational company who in normal times works across Europe. His spouse works for a different multinational and is both employed and resident in Austria. Hitherto, my

son has been able to be based in both the UK and Austria, but that is now becoming more problematic. Bishop Robert has supplied me with other case studies, including those where a person living and/or working in one country has dependent relatives in another. One such is a UK national married to a third-country national, both having residency in France. They need to stay in France so that their child can complete education there, but there is an elderly relative in the UK who will need family support. The UK national could come to the UK to give that support, giving up employment in France, but could not earn the required spouse residency points for the spouse also to come.

In the case of another couple, one a UK national and one an EU national, both have worked for some 25 years in specialist roles within the European institutions. Moving back to the UK at their stage to start new employment here would be difficult. Although the EU spouse once had leave to remain in the UK, that lapsed a long time ago. This British citizen now feels cut off from the land of her birth and her wider family who live here.

I cite these cases because they relate to the right to family life—a whole-family life and not just the most immediate family—which I believe to be hugely important for human well-being. We are talking here of people who are proud of and wish to retain their British citizenship and their family relationships within both the EU and the UK. For all my adult life, that has been possible, and many have shaped their lives, relationships and careers in that context. Such cases are relatively easy to identify; I am sure practical solutions can be found. I urge Her Majesty's Government to engage as a matter of urgency with other Governments in the EU to find those solutions and thereby defend the right to family life.

12.19 pm

Lord Shinkwin (Con): My Lords, I am delighted that we were able to reach such a favourable agreement with the EU, and I applaud the resolve, skill and tenacity of the Prime Minister, my noble friend Lord Frost and, of course, our negotiating team. I echo the optimism expressed by the noble Lord, Lord Butler of Brockwell, in our debate on 30 December last year.

As we look beyond Brexit, and indeed beyond the EU, I hope we can agree that effective trade and co-operation have to be underpinned by values. Of course, with the welcome additional spending that the Defence Secretary recently secured, we can project enhanced military power; but surely we also want to project soft power, especially our faith in parliamentary democracy as a value-based system that delivers both stability and prosperity. The terrifying scenes from Capitol Hill are a reminder that it is not just in Hong Kong that democracy is under assault. The essence of democracy is that, as we all know, it allows for change; it allows the pendulum to swing in accordance with the people's will as expressed through the ballot box—a fact that, in the case of our own referendum, some in the EU found almost impossible to accept.

When I think of the Muslim Uighurs butchered by the racist, criminal regime of Xi Jinping, or the brave democrats of Hong Kong, whose universal human

[LORD SHINKWIN]

rights are being brutally quashed by his puppet, Carrie Lam, I hope our approach to trade and co-operation will be about more than just money. In conclusion, ballot boxes, respect for universal human rights and a commitment to intersectional equality should also figure large among our exports, as the best guarantee of global stability and prosperity.

12.22 pm

Lord Davies of Stamford (Lab) [V]: My Lords, I think these two agreements lack two fundamental things without which they will be much poorer than they would otherwise be. First, there is no cost-benefit analysis at all, and there should be for any great venture of this kind. As we know, we left the European Union very much on the basis of very extravagant promises: we were going to have much more money, there were going to be enormous increases in the budgets available for the NHS, and so forth. Nothing has been seen of these promises since, and the fact that there is no cost-benefit analysis will, I am afraid, lead only to greater cynicism in this country about the political system.

The other thing that is extraordinary is that while there is a great deal about goods in this agreement, there is virtually nothing on services, although services are our great forte, representing nearly 90% of our GDP. That is an extraordinary order of priorities. I am aware, of course, that the Government have now entered into negotiations about financial services and the regulation and supervision of financial services companies on the basis of equivalence. I doubt that very much will come of this, because I think the continentals, quite reasonably and rightly—I think we would have exactly the same attitude if we were in their shoes—wish to use Brexit as an opportunity to encourage more and more firms currently working in this country to move their operations, their capital and their personnel to the European continent. If they want to do that, they are rather unlikely, it seems to me, to be prepared to accommodate us on the matter of equivalence.

12.24 pm

Lord Singh of Wimbledon (CB) [V]: My Lords, the Sikh religion, formed at a time of religious and regional conflict, emphasises the equality and interdependence of all humanity. Today, with new concerns about global warming and climate change, closer co-operation with those we once viewed with suspicion is more important than ever. Boasts that we have secured freedom from foreign influence and have taken back control of our money, borders, laws, trade and waters simply remind me of the dated hype of Shakespeare's John of Gaunt:

“This happy breed of men, this little world ... this earth, this realm, this England.”

However, I congratulate the Government on keeping some of the benefits, such as tariff-free trade, of a club that we have now left. Does the Minister agree that, from our position of independence, we should now look to even greater and closer co-operation with Europe and others for the benefit of all in our interdependent world?

12.25 pm

Baroness Bakewell of Hardington Mandeville (LD) [V]: My Lords, the EU trade deal is a momentous occasion for our country. The TCA agrees ambitious commitments towards liberalising market access with zero tariffs and quotas on all goods from day one. Without this, our farmers producing meat, dairy, poultry, and cereals, including some processed foodstuffs, could have faced tariffs of some 50% under WTO rates; processed fish products would have faced tariffs of up to 25%. Can the Minister say whether lamb produced by our hill farmers in Cumbria, Wales, Yorkshire or on the Derbyshire Dales will be specifically included in the zero-tariff category?

Chapter 2, on the rules of origin, sets out labelling requirements. The rules are supported by low-cost administrative arrangements for proving origin. Exporters will be able to self-certify the origin of their goods, making it easier for traders to prove their origin, thus reducing red tape. I am in favour of less red tape, but what I am hearing about Scottish shellfish exporters having to fill in more than 20 forms does not inspire confidence. On the other side, reassurance on provenance is important. I am concerned for producers and exporters that have iconic products, for which geographical indicators are a large, in some cases the only, factor in their trade.

Like other countries, we have a wide range of products relying on authenticity. Producers of Scotch malt whisky, whose flavour comes partly from the water used, regional cheeses such as Cornish Yarg, and other goods all rely heavily on geographical indicators to sell their products. If there is little or no regulation on labelling, this could seriously undermine the market and the price of such goods. Can the Minister give reassurance that GI products will be adequately protected? Like the noble Lord, Lord Bridges of Headley, I fear that the Government are making it up as they go along.

12.28 pm

Lord Mackay of Clashfern (Con) [V]: My Lords, shortly after I became Lord Advocate, the late Lord Bingham was appointed a High Court judge. He had been nominated by the Attorney-General to defend the United Kingdom in a number of cases raised in the European Court of Justice by the European Commission for breaches of the common fisheries policy, and the Attorney-General nominated me to take his place. When he handed over to me, he remarked that he had advised the Attorney-General that they were all absolutely hopeless. So it turned out. I realised then what a hard bargain this policy was for us, and the prospect of leaving was an inviting one for the UK elements of our fisheries.

The agreement affirms the sovereign rights and obligations of the UK and the EU as independent coastal states, and emphasises the right of each party to grant vessels of the other party the right to enter its waters, to be exercised in annual consultations in the light of the best scientific information available. I am therefore confident that the UK has the full right to control and manage its own waters, subject to international law, once the disappointing temporary arrangement to gradually raise the UK's shares has expired on 31 July 2026, and completely on 31 December 2026.

I close by expressing my great thankfulness that our fellow citizens in Europe are to continue to enjoy the beautiful seafood harvested in the north of Scotland.

12.29 pm

Lord Broers (CB) [V]: It is a privilege to follow the noble and learned Lord, Lord Mackay of Clashfern, and I congratulate the noble Lord, Lord Wharton of Yarm, on his appropriate and concise maiden speech.

If the UK is to remain a major industrial nation, we will have to sustain our competitiveness in the advancement of some, if not all, of the hard technologies that underpin medicine, agriculture, transport, information technology, communications, control systems and power generation. Progress in hard technologies is driven by international competition; it is rare that single nations or companies possess everything that is necessary.

Modern communications allow collaboration across international borders, and this capability must be harnessed to be competitive. Success almost always relies on the exchange of people. The easiest way to transfer new ideas is through exchange between the people who come up with the ideas and those who use them. The closer the collaboration, the better. Our nearest neighbours are in Europe, and we have enjoyed working with them to sustain, for example, our aerospace, automobile and IT and communications industries.

Erasmus has been a major force for good in these exchanges of researchers; it is two-way and includes not only students but university staff and those undertaking vocational and continuing education. Its loss is potentially very dangerous, as mentioned by many others in this debate, and the Turing scheme as presently proposed will not be an adequate replacement. If our advancement of these crucial technologies is to succeed, the Turing scheme will have to be either expanded to include two-way exchange and this broader group of people or complemented by other schemes that do this. It should be noted that students coming to the UK will produce income that will offset the cost of sending our students abroad.

12.32 pm

Lord Winston (Lab) [V]: My Lords, it is a pleasure to follow the noble Lord, Lord Broers. I will tell noble Lords a story. In the 1960s, a young man called Ivo Brosens came from Belgium to Hammersmith Hospital to study the placenta, the life support system of the unborn baby—research done by my old boss, Professor McClure Browne. After his PhD, he returned to Leuven university, where eventually as a professor he established the centre for reproductive science in the Low Countries, which led in Europe. Collaboration with Hammersmith continued, influencing antenatal care and saving many babies' lives worldwide.

In the early 1970s, I went to Leuven, now the Mecca for experimental reproduction, on a grant from the Belgian Government. Our research improved women's health, discovered the cause of endometriosis and the reason why people get ectopic pregnancies, which kill more pregnant people in the developing world than any other cause of death in pregnancy. On my return to Hammersmith, reproductive medicine and IVF

flourished. Subsequently, Jan Brosens—Ivo's son—came to Hammersmith to do his PhD. He and his family stayed in the UK; he is now a professor at Warwick University and leads the world in the study of miscarriage, a very important female condition.

The new deal arrangements are not remotely comparable. Collaboration is not one-way and is often unsuccessful without face-to-face contact with colleagues. This is true in science and the humanities, and it is of supreme importance in the arts, particularly music. Music is not just about talent, hard work, dexterity or cognitive ability. Although these are important, collaboration is critical. Reducing music in schools is so unfortunate because music teaches collaboration. If we do not promote music education, we start to undervalue it. Hence losing Erasmus is serious, and the unformed plans for Turing cause great concern. The Minister dismissed the idea the other day, saying that young musicians could apply like any other student, lacking the understanding that serious music is fragile and how important music education is in the United Kingdom.

I too have worked in the United States. Like it or not, we are still culturally and scientifically closer to Europe than to any other national bloc. Erasmus nurtured this and we must replace it with bilateral and reciprocal collaboration. Currently it seems very unlikely that Turing will do this.

12.34 pm

Lord McColl of Dulwich (Con) [V]: My Lords, I too congratulate my noble friend Lord Wharton on his splendid maiden speech.

It is understandable that there have been serious doubts about the expensive Erasmus programme, which last year was reported as costing €3.3 billion and serving 940,000 participants—which means that each participant cost €3,600. The scheme involved twice as many people coming to the UK as going from it. Can the Minister assure us that the proposed UK Alan Turing scheme will be less bureaucratic than what we have seen in Brussels?

Our new scheme, unlike the parochial Erasmus, will enable students to go further afield to Asia, Africa, Australia, New Zealand and North America. Some of our forward-thinking universities have already established exchange programmes beyond Europe and have the Government's full support. Unlike Erasmus, the government scheme will explicitly target students from disadvantaged backgrounds and areas which did not have many candidates benefiting from Erasmus+, making life-changing opportunities accessible across the country. It will be backed by over £100 million for about 35,000 students in universities, colleges and schools, as well as students on apprenticeships, to go on placements and exchanges overseas. It will deliver greater value for money to the taxpayer.

12.37 pm

Baroness Fox of Buckley (Non-Affl): My Lords, I voted for the agreement reluctantly. I would have preferred a clean break and the time to scrutinise the small print for the myriad traps it contains. However,

[BARONESS FOX OF BUCKLEY]

to give credit to the noble Lord, Lord Frost, this agreement does deliver sovereignty, and that matters. While many in this place sneeringly traduce sovereignty as xenophobic nationalism embraced only by knuckle-dragging gammon, it is historically and now the only basis for democratic accountability. The demos voted to remove the unelected legislature in Brussels, unanswerable to UK voters. Now that is a reality, they may look at unelected lawmakers closer to home—good.

Good also that the Government have nowhere to hide and will need to look the electorate in the eye and own each and every decision they make, including the egregious parts of this agreement. Voters matter. Listening to the hours of contributions last week—I was culled from the speakers' list—I noted a rather self-congratulatory, back-slapping tone from the Government Benches. It rang rather hollow. In truth, it was the perseverance and steely courage of millions of voters, who used the ballot box and electoral vehicles such as the pivotal Brexit Party time and again to pile on the pressure, that forced the Conservative Party finally to honour the referendum. Let us acknowledge that it is the voters who got Brexit done, against all the odds, against the machinations deployed by the highest echelons of the technocratic establishment and against many in this place who really believed that they had the right to overturn 17.4 million votes and shared with Donald Trump a refusal to give loser's consent and who even now, today, lack the imagination to see life beyond Brussels or Erasmus or to see Brexit beyond the narrow prism of GDP.

Yes, this agreement has flaws, but its existence is proof that a democratic movement can change the course of history. In the context of lockdown Britain, when we will need every ounce of that democratic spirit, bravery and sovereign freedom to rebuild society, it will do for starters.

12.39 pm

Lord Shipley (LD) [V]: My Lords, I should say that I disagree profoundly with much of what the noble Baroness, Lady Fox, has said. That is because we learned when the Bill was debated last week that the Government think of sovereignty largely in relation to themselves. They do not think much about individual sovereignty or the sovereignty of UK businesses and producers to export free of red tape and bureaucracy.

As we know from today's news, there are big concerns now about the cost of exporting to the EU and about the delays inherent in the system for the export of some goods. The trade agreement may have reduced tariffs but, as we are now learning, non-tariff barriers can be just as important. In particular, barriers have now been created which limit the ability of UK citizens to work in the EU.

One advantage of the UK being part of the single market was the mutual recognition of professional qualifications with all other EU countries. That has been ended and instead there is a framework for the discussion of possible future agreements between qualification authorities. It may be possible to negotiate bilateral agreements with each country—that is, 27 times—but any such discussions must be initiated and

conclusions must be reached, and that whole process could take a long time. This is not in the interests of our services sector or the individuals affected, but it is one of the consequences of changing our trading relationship with our largest trading partner.

I ask the Minister if he would expand on the Government's plans for the recognition of UK qualifications in the EU, because many individuals and professional bodies are facing very significant barriers and dislocation.

12.41 pm

Lord Garnier (Con) [V]: My Lords, there is barely time to declare my interests in the register, not enough properly to welcome my noble friend Lord Wharton—although I warmly do so—and none at all to set out my TCA-related concerns about the Government's Panglossian approach to the future of the United Kingdom, now very much in peril.

The TCA shows that the United Kingdom and the EU can behave with good will towards each other and agree. That is good, not only on its own but because the TCA exposes a lot of unfinished business, not least on technical barriers to trade. The agreement covers only part of the economic canvas and, to mix my metaphors, it is very much a curate's egg.

Doing a deal on services is more difficult than doing one on goods, which is perhaps why so much has been left unfinished. Third-country access to the services arena is more complex than access for goods. We could not expect to replicate the same quality of access that both regulated and unregulated services enjoyed in the single market, but we will now see significant new barriers to UK services in the EU. Of course, the Government have for presentational reasons not spoken too much about this, understandably preferring to trumpet the provisions on traded goods, but these barriers need to be recognised and overcome.

Over 40% of our exports to the EU are in services, and 80% of the UK's economy depends on services. The TCA's eye-catching commitments to liberalise services are qualified by restrictions in the annexes. Our service suppliers will lose automatic rights to offer services across the EU. They will have to comply with a patchwork of separate host-country rules and may need to establish themselves in the EU to continue operating, and this will create expense and inefficiency. The level of market access will also depend on the way the service is supplied: there are four different "modes" which govern how the rules will apply to service supply. There is no time to explain them, but they will make things more difficult.

Furthermore, the TCA does not provide for mutual recognition of professional qualifications, a notable retreat from the current position. There will be no automatic right for a UK lawyer to advise even on UK or public international law in an EU state. I suggest that my noble friend Lord Frost and the Government as a whole have a lot more work to do, and I wish them well.

12.44 pm

Lord Lipsey (Lab) [V]: Classical music has been doing its bit for the unity of Europe for many centuries before the EU was even thought of. Think of the

immigrant composer, Handel; the great itinerant performer, Liszt; the great conductor, Rattle; and the great orchestras. Europe does not have a common language but in music it has a common theme which, however, is expressed in different accents in different countries. Classical music is European.

The Government's Brexit deal, as it stands, jeopardises all that. There is no Erasmus to support European musicians in our great music conservatoires. There are obstacles to touring, as British musicians become "third-country nationals" needing to comply with the rules of each member state when they try to tour; musical instrument certificates for £100-plus are only available through certain ports; and lorries are restricted to three internal movements—how does that work with a great orchestral tour? I could go on.

To be fair, during the Covid crisis the Government have been very alert to the cultural sector and its financial needs. They said they were going to do the same for music in the Brexit negotiations; many Ministers are on embarrassing record saying so. They have totally failed. What are they doing about it? Surprise, surprise, they are blaming the EU, as the noble Lord, Lord True, did again today. Pathetic.

If music had had half the attention paid to it as was paid to fish, an industry a quarter of its size, we would not be in this hole. We must not let today's diminuendo for music be the end of our great European symphony.

12.46 pm

Lord Carlile of Berriew (CB) [V]: My Lords, until 31 December last year the United Kingdom was a fully active member of the Schengen Information System. This gave the UK authorities immediate alerts and information about suspected persons, objects and dangers. We are now out of the Schengen Information System. Please will the Minister in his reply give us chapter and verse on how such important information will now be obtained as quickly and effectively as before? What is the "comprehensive package" for security referred to in paragraph 134 of Her Majesty's Government's summary of the agreement? Will the Government come clean today and tell us the other adverse changes affecting national security and the pursuit of crime?

How much slower will the process of disclosure of criminal records be? This is often vital in determining whether a suspect is truly a genuine suspect. How have these and many other matters of real security concern been left unresolved in the very general statements in part 3 of the Government's summary of the agreement? If the UK and the European Union are to remain as safe as possible, how is this going to be achieved? Please can we have answers, if not in the debate then in a letter afterwards?

Finally, I just wanted to make a protest about how short this debate has been and how little time has been allowed. It gives the impression of a deliberate attempt to stifle informed debate on matters on which there is considerable expertise in your Lordships' House.

12.48 pm

Lord Bourne of Aberystwyth (Con) [V]: My Lords, it is a great pleasure to follow the noble Lord, Lord Carlile. He certainly knows a thing or two about

security, and I associate myself entirely with the concerns he raised. I congratulate my noble friend Lord Wharton of Yarm on his excellent maiden speech.

Like many others, I am pleased and relieved that we have a deal and that we have averted the nightmare of a no-deal disaster, as I always believed we would. To that extent, of course, I congratulate the Prime Minister, the noble Lord, Lord Frost, and the negotiating team. For goods there are to be no tariffs and no quotas, and that is good news indeed. I believe that the deal also supports peace in Northern Ireland, which for me was fundamental. The deal in that regard has, of course, been welcomed by the European Union and particularly by Ireland.

However, there are still important issues that need to be addressed. Like my noble friend Lord Bridges and many others, I believe strongly that we need to map out what we as the United Kingdom are going to do—I very much agree with my noble and learned friend Lord Garnier on the importance of retaining the union; we should not take it for granted. We are geographically European. How do we now work alongside Europe for the future? That is fundamental to this debate.

There is a large hole in the agreement with regard to services, which represent 80% of our economy. I am very concerned that we need to avoid haemorrhaging of our superiority here in trading terms within Europe.

Like others, I am also concerned about Erasmus. We have a dog's dinner, not to say a pig's breakfast, where universities in Ulster are still participating and their fees will be paid through Dublin. That represents a danger to the union too.

I am relieved that we have an agreement, but much still needs to be done.

12.50 pm

Lord Bhatia (Non-Aff) [V]: My Lords, Britain and the European Union have struck a Brexit deal that will define their relationship for decades to come. The Prime Minister hailed the agreement as

"a 'great treaty' that allowed the UK to 'take back control of our destiny' and resolve a question that had 'bedevilled' British politics for decades,"

as reported by the *Times*. The EU also made similar statements. It has taken many years of negotiations, which finally ended with a document of some 1,200 pages. What started as a referendum under Prime Minister Cameron consumed three other Prime Ministers and gave Boris Johnson the honour of reaching an agreement with the EU. Both sides are looking at the details of the agreement and, as they say, the devil is in the details. That is where the attention of politicians will focus from now on. Generally, it is a relief for Parliament and the public, as the focus will now shift to dealing with the pandemic and the damage done to the economy, to both large and small businesses. It remains to be seen as to how history will judge Boris Johnson in the coming two to three decades.

12.52 pm

The Duke of Somerset (CB) [V]: My Lords, while some of the many deleterious effects of this trade deal have been mentioned, I wish to try to be positive and

[THE DUKE OF SOMERSET]

make a success of our new relationship, perhaps even harbouring a faint hope that softer attitudes will prevail once the dust settles.

We can regain some of the respect so casually lost in recent months by making a success of our industries. For instance, in farming—I declare my interest as a farmer—there are some good results buried in the deal. We can push on to combat climate change and conserve our natural capital. We can sell tariff and quota free, although not without much bureaucracy. Goods will be subject to rules of origin so that produce will not qualify if ingredients from third countries are included. We can turn that to our advantage by using more of our own homegrown grains and meats.

Access to EU markets will be conditional on keeping to EU standards. We are in a good place to lead on that and must resist trade deals that seek to diminish animal, food or environmental standards. There must be no regression on this. The Government have secured 32 trading agreements with partner countries, many simply rolled over, but these represent over 90% of the value of the UK food and drink export trade and allow preferential access.

I personally regret the biggest loss in Brexit, that of human movement, but at least we now know that the much-needed seasonal worker visas will be expanded to 30,000 and for a further year—small beer but much better than the no deal we were threatened with. We must remember that our young people, having grown up with the expectation of being able to work in Europe, are now trapped, insular and isolated.

Let us be clear: this deal is a second-best outcome, and Brexit remains a historic own goal for the UK economy and its people. But let us make a success of it, as best we can.

12.54 pm

Lord Wei (Con): My Lords, I too congratulate my noble friend Lord Wharton of Yarm on an excellent maiden and declare my interests in the register. In view of the time, I will focus on what we now need to do given that the PM has kept his promise to leave and has agreed a deal.

Brexit and many other cataclysmic events in recent times, including Covid, have highlighted several things. First, the biggest challenge we face in the world today, even with Covid causing untold havoc, is how to share power peacefully, whether you are a President, the head of an institution or an organisation, or a citizen or voter.

Secondly, the internet, for all its faults, is a gift to help us mobilise beyond government or any given establishment to gather the wisdom of people and to enable them to shape their lives if we share with them the tools to do so, to work with us to create a country that is more resilient and in which freedom, especially to think and express ourselves how we want to while honouring those we disagree with, is respected. Indeed, any time that freedom is curtailed or misunderstood, here and abroad, we will see trouble. The referendum and the subsequent turmoil and schisms illustrates that, as does the rise of the uglier end of populism when we fail to understand how frustrated people feel

in an age of superfast smartphones yet in which institutions, particularly but not limited to larger ones, such as government, feel ponderous and bureaucratic.

Let us use this freedom that Brexit now provides to make a better, more affordable, less stifled, more levelled-up life for our people, but let them have a say and a hand in it. To do this, we need to create looser, more agile, more relatable institutions, using technology and ancient wisdom to bring power and decision-making closer to homes, cities and regions, in health and education, in rural and coastal affairs and in many other areas, so that we can better weather future pandemics and future shocks, and so that we can heal.

In this sense, Brexit is not over. The time to rebuild Britain and to address Brexit's causes resiliently has only just begun. I am curious to know what the Minister has to say on this matter.

12.57 pm

Lord McKenzie of Luton (Lab) [V]: My Lords, it is hard to celebrate legislation which will lead to our country becoming poorer. It is also difficult to accept that Boris Johnson has just “got Brexit done” when so much else remains to be resolved. In the meantime, we are urged to anticipate the beginning of a new, historic relationship built on shared history, interests and values, while many of us were content with the old arrangements. It is hard to receive these urgings from those who have made a career out of scapegoating the EU.

However, we have to support the TCA and build on its thin prospectus. Membership of the EU has brought substantial benefits to our country, and certainly to the place where I live, Luton, where our mainstay employers are in the automotive sector and aviation. A few years back, General Motors decided unilaterally that it was going to close the car plant in Luton, and it was the engagement of the EU together with trade unions that fostered new investment and regeneration projects, the beneficial effect of which can still be seen today. My noble friend Lord Woodley will recall those times.

I am sure that, until the pandemic hit, Luton Airport was one of the fastest growing in the country. It is therefore to be hoped that the arrangements we now have with Europe will of course go beyond a trade agreement and will foster easyJet continuing to fly and Vauxhall continuing to build vans. This means coping with the rules of origin, the ending of automatic freedom of movement, sustaining the level playing field, dealing with an explosion of customs declarations, and much more. I see this deal as one which we have to embrace, regrettably.

12.59 pm

Baroness Randerson (LD) [V]: My Lords, before Christmas, we saw how quickly queues build up when normal access to ports is impossible. The Government have sought to avoid queues in these first post-transition weeks simply by not enforcing the rules: not requiring the new paperwork and not checking the goods. Meanwhile, exporters and logistics companies have taken their own avoidance measures. John Lewis is one of a number of companies that have suspended

shipments. Sadly, many SMEs that have previously traded just within the EU have decided to cease exports altogether. Previous stockpiling means that, so far, the traffic is light—around 50% of normal—but already there are complaints of interruptions to supply.

If the UK is to avoid a major slump in trade, we need long-term solutions. The Government have funded inland border checks, for instance for Holyhead, to check paperwork. Despite this, so far, 25% of lorries arriving at that port do not conform. I am seriously worried about the future of Holyhead and Fishguard. Several new ferry routes have opened up from the Irish Republic direct to continental Europe. They report being booked out. The traditional routes through Wales and down through England were popular because they took six hours less than the long crossing. This time, advantage is easily eroded by the slightest hold-up due to increased checks. This week, freight traffic through Holyhead is down to one-third of its previous level.

The Government need to ensure that our ports are better geared up for Brexit bureaucracy. The Secretary of State has made it clear that he believes that we need to diversify away from reliance on Dover. The second busiest Channel port is Portsmouth. Like other ports, it has applied for port infrastructure funding for the border control point now needed. It has been granted only £17 million for an essential, government-imposed project costing £25 million. Where is it expected to find the rest? It has been granted nothing for its unique national facility for the trade in breeding animals. I have raised similar queries about the underfunding of border control infrastructure required at Dover.

Brexit has only just begun, and already the Government are failing to fulfil basic promises to enable vital border controls to operate. They must do better.

1.03 pm

Lord Trimble (Con): My Lords, I want to exploit my position here at the moment, standing right behind the Minister. He opened the debate by referring to some of the major achievements that have been made, in particular that the European Court of Justice no longer applies in Great Britain, and other related matters. I am sure the noble Lord will realise that I could, and perhaps should, exploit my position here by saying that what the Minister said is not true. The ECJ still operates within the United Kingdom. It operates with regard to Northern Ireland. Northern Ireland is still governed by Europe. This is not what we fought for. This is not what we voted for. It could be tolerated as something for the short term that will be dealt with speedily, but there is no sign of that happening. This process continues.

The man in the street in Northern Ireland does not understand what is going on, does not know what is going on, because very little information seeps through. That should be addressed rapidly. I ask the Government to find ways of communicating with the people of Northern Ireland through their elected representatives and those of us who are here. I would like to know what happens in the various meetings. People come out and say that they have achieved something, but they do not explain what they have achieved. I would like to know that.

Without information coming through, people will look, for example, at the problems that some of the supermarkets have had recently: they have not got the material that they want to come through and in some cases have been quite embarrassed. There is also concern over the line that is basically driven down the Irish Sea. It is there, despite assurances being given to us several times that that was not going to happen. It has happened.

I want to pick on just three matters, one of which is hugely important, and that is the question of legislation in Northern Ireland. Where will that come from? At the moment, it will come from Brussels, not from this House or the other place. Legislation for Northern Ireland is done by Europe, and will continue to be done by Europe. I have heard Ministers say that if any legislation comes through, they will not do anything but just let it go through automatically.

I have two specific questions to ask the Minister—

Viscount Younger of Leckie (Con): I am sorry, but the time is up for my noble friend. It is well over two minutes.

1.06 pm

Lord Birt (CB) [V]: My Lords, in 1945, Clement Attlee seized the moment and created the welfare state. In 1979, Margaret Thatcher rose to the challenge of superinflation, industrial strife and a broken economy.

In 2021, we face equally mighty challenges. As a nation, we are divided as rarely before. The union is under threat not only in Scotland but now, I suspect, with its new and unique status, in Northern Ireland too. Our public services are still depleted from the impact on the public sector of the 2008 financial shock. After a half-century of underinvestment, we have the worst transport infrastructure of any developed economy. We face massive housing shortages in both the public and private sectors. We have skill shortages at every level of the economy, from fruit pickers to roofers to data scientists. Yet the OBR's November pull-together of the views of external forecasters such as the World Bank, the IMF and the OECD indicated that, with a trade deal of the kind just signed, the UK can expect a long-term reduction in GDP of 4% versus the current trend. Moreover, the pandemic will leave us with a debt mountain to clear, and we face the monumental task of meeting our net-zero goal.

We now need to put Britain back on its feet again. That will need considered, grounded, long-term policies, engagement and consensus building. That will all take a very long time indeed. We are in for a long haul.

1.08 pm

Lord Hain (Lab) [V]: My Lords, it is now clearer what the deal means. If we diverge from EU rules on labour, environmental and state aid standards, then, subject to arbitration, tariffs may be imposed by the EU. Like Switzerland, the UK will be the junior partner in a complex institutional hierarchy of bodies that will oversee the future relationship for the indefinite future.

Where the Brexiteers promised freedom from the red tape of Brussels, there will instead be bottlenecks from a new partnership council, a trade partnership

[LORD HAIN]
committee, 10 trade specialised committees, eight specialised committees, four working groups and a parliamentary partnership assembly to oversee the dispute resolution mechanism. The *Economist* has observed that Britain will become a “supplicant”.

British citizens will no longer feel at home in the EU 27 member states, entitled to make their lives there to live, work or study. Professionals will find it harder to work in Europe, as qualifications will no longer be automatically recognised.

Gaps in the security part of the deal include limits on British access to EU security and police databases, which will have an operational impact, making a nonsense of claims by Priti Patel that the new deal somehow makes Britons safer.

The Brexiteers have contrived a deal where, in future negotiations with the EU, the UK will be a third country, outside the tent, without the privileges of membership and with a diminished scrutiny role for the UK Parliament. So much for “taking back control”.

The EU-UK trade and co-operation agreement is little more than a damage-limitation exercise that slightly softens the impact in some areas of what is not merely a hard Brexit but in practice a very messy half-Brexit.

1.10 pm

Lord Holmes of Richmond (Con): My Lords, there exists a need and an opportunity—a pressing need and a potentially transformational opportunity. The need is for a border fit for the 21st century. The opportunity is for a digitally enabled free-trade-flowing, free-trade-growing border, delivered by the best of our talent, deploying the best of our technologies. Artificial intelligence, distributed ledger technologies, cyber, the internet of things—we have world-leading proponents for all. All can be allied with a utility trade platform, which would benefit all concerned.

Does the Minister share my rational optimism for the border? Could he say what is happening with the 2025 border strategy? What can be done in 2021 to accelerate these plans? As we saw with Covid, it is possible to accelerate the innovation pathway dramatically. We need to do this urgently with the border. We have the technology: a 21st-century, digitally enabled, free-trade-flowing, free-trade-growing, friction-reducing border right around the UK. At Dover, to update Harold Wilson, we are atop the white cliffs of technology.

1.12 pm

Lord Hannay of Chiswick (CB) [V]: My Lords, since our marathon first debate on the UK’s Christmas Eve agreement with the EU last week, two things have happened: the agreement has entered into force and the UK has given effect to the provisions in domestic law. However inadequate one may believe it to be, as I do, it is water under the bridge, but there are plenty of loose ends remaining to tie up in the short term and some important policy choices to make in the medium to long term.

Two of the most important short-term challenges are financial services and data exchanges. On both, serious economic consequences will flow from whether the EU recognises the UK’s equivalence. Can the

Minister assure the House that, in both cases, the Government will do everything they can to secure that equivalence? Do they recognise and accept that the more we seek to diverge from the EU—in practice, not just in theory—the less likely we are to achieve equivalence?

In the medium to long term, the big choice is surely whether we treat the present agreement as a ceiling, above which we do not seek to rise, or as a floor, on which other areas of co-operation, so far neglected, could be built. Which is it to be? Foremost among such areas, I suggest proper structures for co-operation on foreign and security policies, where we need to work with the EU institutions that take decisions in this field, as well as bilaterally with the member states, if we are not to drift towards irrelevance and lose influence. What is the Government’s thinking on this?

On student exchanges, the deplorable decision to turn our backs on Erasmus+ remains unexplained in any detail. Why, for example, do most other non-EU European countries find it of value? What can we do to restore reciprocal exchanges in this field, which Turing does not do? The fact is that we are at the beginning of a long and arduous journey of building our new partnership with our erstwhile EU partners, not strolling effortlessly through the sunlit uplands.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): My Lords, the noble Lord, Lord Mann, has withdrawn from the debate, so I call the noble Baroness, Lady Morgan of Huyton.

1.14 pm

Baroness Morgan of Huyton (Lab) [V]: My Lords, last term I talked to a group of EU students—I declare my interest as master of Fitzwilliam College, Cambridge—who told me of their sadness about the effects of and predominant driving emotions around Brexit. I sympathised—I agreed with them—but held out Erasmus as a beacon of two-way collaboration, long-term friendship and connection. I reassured them that Her Majesty’s Government had said that Erasmus would continue.

Like many other Members of this House, I was shocked and dismayed to find that this commitment had been rescinded. Erasmus funds students to study for up to a year in other European universities whose countries are part of the scheme, including other non-EU European nations. Since 2014, Erasmus+ has covered vocational training and work exchanges too. The Minister will tell us that it is okay; even better, the new Turing programme will replace the “expensive” Erasmus scheme and will just look after “our” people. So why does this matter?

First, our universities are enriched culturally, educationally and financially by European students—crucial to our future in a post-Brexit world. Students who come here feel connected for life and this provides the foundation for collaborative research. Secondly, it speaks volumes if we believe that we have nothing to gain from European students, who will, in future, be charged international fees for coming here, unless we want to demonstrate symbolically that we are cutting ourselves off. Thirdly, the Turing programme is currently, I suspect, on the back of an envelope on Gavin

Williamson's desk. I for one am not filled with confidence at the prospect of him being responsible. Fourthly, the cost of students going to non-EU countries will be higher and is likely to disadvantage poorer students. The estimated £2,800 will not go near the cost of flights, tuition and accommodation in far-flung countries. So could the Minister tell us, first, when the details will be developed and publicised; secondly, who is responsible; and, thirdly, where the scrutiny and oversight are?

1.16 pm

Lord Horam (Con): My Lords, like most of us, I imagine, I was relieved when, in the end, there was a deal. But I am afraid that it is not a good deal for the UK. The European Union gets all that it wants on trade and we get nothing on services, which we all now know, relentlessly, are 80% of our economy. That could be serious for our financial services industry. At the moment, we are the financial centre for the European Union. Will the European Union tolerate having its main financial centre outside its ambit? I doubt it. It smells good business and, as a regulatory body, can put the squeeze on us, as was pointed out by the noble Lord, Lord Davies of Stamford. Billions of pounds of trade have already gone and thousands more jobs will follow.

My other concern is inward investment from overseas, where we have consistently outstripped Germany and France in the past. Will that maintain its present level if we are no longer an easy entrance to the European single market? It seems unlikely.

I am afraid that in business we are like a card player who has voluntarily discarded two top cards but still has to play the game, so we have to reinvent ourselves on the economy. As the noble Lord, Lord Bridges of Headley, said, we have to think through our new role. It can be done. We have a great deal going for us, as the noble Lord, Lord Butler of Brockwell, pointed out—I entirely agree with him. There are opportunities, and difficulties always cause opportunities, but let us not underestimate the size of the task that we have set ourselves.

1.18 pm

Lord Teverson (LD) [V]: My Lords, I say with some regret that the failure of the fisheries negotiations is jaw-dropping. This was one area where Brexit could have made a real improvement to our catch sector, particularly in Scotland and in the south-west, where I live. We seem to have flunked that completely.

Let me go through some of the initial targets and objectives of the Government in these negotiations. The first was to keep market access negotiations separate from the catch and quota issues. That was not achieved. Moving from relative stability to zonal attachment in fish stocks was not achieved. Taking control of our territorial waters, out to 12 miles, was not achieved. Frictionless trade in fish products was not achieved in a big way, with catch certificates and better reinspection above everything else that we have on the goods side. We used to swap quota with our European neighbours, which was essential for seasonality and the discarding ban, but we forgot to ask for it or did not even bother to make sure that we achieved it. In the area of quota

hoppers, where European companies own a large proportion of English quota, we have no government proposals whatsoever.

Perhaps worst of all is that we have to play this all again in five years. In 2026, we have to go through these negotiations again, knowing that the EU has the right to stop our tariff-free trade in fisheries—indeed, our trade at all—if we fail to come to agreement then. The leverage will be as equal then as it is now. We have failed the one big opportunity that we had from Brexit and, in the words of fishers in the south-west, we are worse off than we were before.

1.20 pm

Lord King of Lothbury (CB) [V]: My Lords, for five years, many claims have been made about the economic consequences of Brexit. Unfortunately, I fear that hyperbole has outrun reason. Although none of us can be certain, my own judgment is that the long-run economic effects of Brexit are likely to be small. Just as joining the Common Market did not transform the British economy, nor will leaving the EU significantly change the path of the economy as a whole. The passions aroused by the Brexit debate have been out of all proportion to the likely economic consequences. As a result, for five years we have ignored the real economic challenges facing our country.

Just one example is the need to invest more. In the decade after the financial crisis, the UK invested 16% of our GDP—well below the average for other advanced economies. If we are to invest more, we have to finance that investment, either at home, or from abroad. We are already borrowing heavily from overseas, as reflected in the substantial current account deficit, which has been running at almost 4.5% of GDP. We will therefore need to save more. But in recent years, as a proportion of our national income, Britain has saved less than any other country in the G20—less than Argentina and less than Brazil.

Brexit is not the cause of our economic problems, nor is it the answer to them. With the agreement in place, now is the time to turn our attention to the real problems of the UK economy, and that should be a role for this House in the coming year.

1.23 pm

Viscount Chandos (Lab) [V]: My Lords, even if my Christmas stocking did not contain a copy of the requested *How to Overcome Confirmation Bias*, my new year's resolution was to approach consideration and implementation of this agreement in that spirit. In that context, I welcome the objective and forward-looking response of my right honourable friend the Leader of the Opposition on behalf of the Labour Party. I would commend this approach equally to the Minister; implying that the responsibility for the plight of touring musicians and other artists lies with the EU betrays a regrettable blame game. Just how hard did the negotiators fight for this economically and culturally important sector and its activities within the EU? I strongly support my noble friend Lord Lipsey and others in urging action to address this problem.

The principal other point I should like to raise relates to the Government's intentions over the admittedly conditional freedoms in the state aid and subsidy

[VISCOUNT CHANDOS]

regime arising from this agreement. It is now four years since the May Government published the Green Paper on industrial strategy. It is not clear to what extent this Government regard it as a framework for their actions. Did the demonstrably high-risk investment in the OneWeb satellite business, for instance, fit in with it, or reflect only the amateur enthusiasm of the Minister or the adviser? Can the Minister therefore say what the Government's industrial strategy is, and how they propose to implement new regulatory regimes that balance the important objective of improving productivity and growth—which, as the noble Lord, Lord King of Lothbury, has just emphasised, is so important—with the vital protection of consumer interests?

1.25 pm

Baroness Nicholson of Winterbourne (Con): My Lords, I warmly welcome the trade and co-operation agreement and I seek its strengthening. My alma mater is the Royal Academy of Music and therefore I ask: how soon, and how, will the Minister reach agreement on the missing element of the trade and co-operation agreement—namely, music and the creative industries?

Music is key to the global and growing success of our creative industries, whose annual value of £111 million, with 3 million jobs, makes them our second biggest exporter after financial services. We have been the single market's cultural hub, thriving on the inward and outward exchange of skills afforded by freedom of culture, music and movement—especially of musicians. Indeed, as Shakespeare tells us on soft power:

“The man that hath no music in himself,
Nor is not moved with concord of sweet sounds,
Is fit for treasons, stratagems, and spoils.”

Julius Caesar does not trust Cassius because

“he hears no music ...
Such men as he never be at heart's ease”.

Right across Shakespeare's plays and poems, we find that he is always on the side of music: seeking, praising and glorying in it, and recognising its powers to move, enhance the moment and express love. He famously refers to music as the food of love, and he mistrusts an absence of music, and those who prevent it in others. That is perhaps a reason why music is the heart of our true soft power.

A single example of our great success in global music is the British Council's “Selector” music show, which chooses the best UK music every week and shares it with the world. The programme is now broadcast in 30 countries around the globe, including Azerbaijan. It connects a global audience to anything and everything that is exciting in the UK just now. It takes an audience on a virtual tour of the UK, dropping people into cities such as Bristol, Belfast, Cardiff and Glasgow to listen to the best emerging music. The UK-Russia Year of Music reached 48 million Russians regularly. “The Voice” reached 23 countries and 1.5 million children everywhere. But musicians need the capacity to move swiftly and cheaply and to study at the lowest cost. Can the Minister reassure me that his every effort will be trained on achieving those crucial imperatives, without which our world leadership in this most important of creative industries cannot survive?

1.28 pm

Lord Bowness (Non-Affl) [V]: My Lords, it would be quite possible to use the two minutes to highlight the failure of Parliament to adequately scrutinise the Bill—now an Act—which implemented the agreement we are attempting to scrutinise today. In the period of negotiations, Ministers oft replied that the answer to questions depended on the outcome of negotiations with the European Union. Well, they are over, and we have an agreement of sorts. I have two specific questions and hope I may now get some specific answers.

First, when the Government had the opportunity to opt out of pre-Lisbon treaty police and criminal justice decisions, the UK took that option, but had the option of rejoining measures that the Government believed to be in the interests of the United Kingdom. The then Home Secretary, Theresa May, opted back in to some 35 or 36 measures. Specifically, how many of those are retained by this agreement?

My second question relates to the failure of the agreement to secure visa-free entry to the EU for more than 90 days in any period of 180 days. In winding up the debate on the Bill, and again today, the noble Lord, Lord True, said that a more ambitious agreement on movement of business travellers—which would include musicians—was rejected by the European Union. There has been some confusion in Answers I have had to Written Questions. On 24 March, the Home Office Minister replied that UK nationals wanting to stay in the Schengen area for longer than 90 days may need a visa from the relevant member state. The arrangements are not dependent on whether the Government conclude a free trade agreement with the EU. But on 5 May, the Foreign Office told me that it depends on the approach taken by the EU or the relevant member states. Does this have to be negotiated with the European Union or with individual member states? If the latter, how many of the 27 have we approached, and what is the state of the negotiations?

1.30 pm

Lord Loomba (CB) [V]: My Lords, I welcome the certainty and stability that the EU-UK Trade and Cooperation Agreement brings to businesses and individuals alike. The Government have achieved a truly remarkable feat in agreeing a deal that maintains tariff and quota-free trade with the EU—a first for a third-country deal with the EU.

Throughout the delicate course of the negotiations we have had many descriptions of what a deal might look like, from an Australian one to a Canadian-style one, to the worst-case scenario of no deal and WTO trading terms. But what we have in the TCA is a truly remarkable and unique deal that befits our special relationship with our friends in the European Union. As we move forward as an independent sovereign nation, it also gives us an opportunity to trade with many other countries in the world. I believe that the UK and India are currently negotiating a trade and business agreement worth about £100 billion. That cannot be bad.

1.32 pm

Baroness Pidding (Con): My Lords, I first congratulate my noble friend Lord Wharton of Yarm on his most excellent maiden speech—excellent in both content

and delivery. As one of his supporters on the day of his introduction, I acknowledge what an asset to our red Benches I know he will be. His wisdom and political acumen belie his tender years. How satisfying it must be for my noble friend who, back in 2013 in the other place, brought forward a Private Member's Bill on a European Union referendum. It has taken only seven years to fulfil his ambition, as he said then, of putting the issue to bed.

Back in January 2018 I spoke in this Chamber and said that

“regardless of which side we supported in the referendum ... we all recognise that our departure from the European Union will be one of the biggest challenges faced by any British Government in modern times.”—[*Official Report*, 30/1/18; col. 1516.]

So it proved. The debate following the result of the 2016 referendum sucked the oxygen out of our political discourse. It has been bruising and debilitating in Westminster and throughout the country.

Our Prime Minister, along with the negotiating team led by my noble friend Lord Frost, have against the odds and despite much negative political commentary successfully delivered a deal that I believe can meet the ambitions of people on both sides of the Brexit debate. It is an agreement that fulfils the democratic result of the 2016 referendum and one that will allow us to take advantage of a new relationship with our friends in the EU and throughout the wider world. It is now for us as a country to move forward and begin a new chapter for this great global nation.

1.34 pm

Lord Clark of Windermere (Lab) [V]: My Lords, I wish to make my remarks in the context of climate change, which the Government are so committed to addressing. I will start on the European and international stage. When I chaired the Forestry Commission, I worked very hard with the then Government to get Europe to accept legislation so that illegally logged timber would not be allowed to enter the European Union in trade. I ask the Minister: what is the current position? Leading on from that, if it is still the case in Europe, what will the case be for Britain in any future deals outside Europe?

On the domestic front, trees are a critical part of our rural and urban ecosystems. We all know about the effects of Dutch elm disease and larch being felled. Currently, we have ash dieback too—80% of our ash trees are under threat—and there are many other diseases facing trees. Historically, the trading relationship in shrubs and trees within Europe and between Europe and the UK has been very close. Indeed, ash dieback was originally traced to the import of young ash trees from a European source. Put simply, we worked closely to tighten that up and make sure that it did not happen again. What is the current position of the relationship between Europe and the UK regarding tree trade?

1.36 pm

Baroness Bonham-Carter of Yarnbury (LD) [V]: My Lords, our creative industries make us a soft-power superpower and an economic powerhouse. They unlock innovation and provide social cohesion. They are gold dust, yet they are totally shafted by this deal.

From the beginning of the Brexit process, we called for the creative industries to be at the top table for negotiations. Clearly, this did not happen. Crucially, these industries rely on the ability to work and travel across Europe without the need for visas, yet there are no reciprocal arrangements for touring artists to move freely. They rely on the automatic recognition of qualifications, allowing professionals such as architects to continue to practise in the EU. Again, there are no reciprocal arrangements there. They rely on free movement for instruments without onerous and expensive carnets and border checks. They rely on the digital single market that protects our IP; we await details on new arrangements to ensure that we remain protected post Brexit. They rely on country of origin, whereby the mutual recognition of broadcasting licences has led to the UK being the leading hub in Europe for the sector. That is now gone.

These freedoms and agreements have facilitated mutually beneficial commercial and artistic opportunities, but they are no more. Can the Minister confirm that a data adequacy agreement will be made before the present bridging mechanism lapses? Will documentation for transporting musical equipment between Northern Ireland and Britain be needed? Will the trade fairs exemption for short-term business visits also be applicable for live artistic events, meaning no need for work permits? Will the Government seek an agreement for a visa-free cultural work passport that avoids the need to apply to each of the 27 EU countries for those who want to tour?

This deal is extremely bad for our creative sector.

1.39 pm

Lord Kakkar (CB) [V]: My Lords, I thank the Minister for the thoughtful way in which he introduced this debate. I declare my interests as professor of surgery at UCL and chairman of UCLPartners. As my noble friend Lord Patel indicated, there was real anxiety among the science community in the United Kingdom about no agreement being reached, so the co-operation and trade agreement as it pertains to science has been broadly welcomed. I shall focus my comments in two areas: first, our participation in Horizon Europe; and secondly, the question of clinical trials regulatory alignment.

It is envisaged that we will participate in Horizon Europe through an association agreement, but that agreement has yet to be negotiated. It is possible that applications for funding to the new Horizon Europe scheme will commence this spring: what arrangements do Her Majesty's Government propose to make in case the agreement has not been fully negotiated with regard to our provisional participation and, indeed, interim funding to ensure our science base is not undermined? The current co-operation agreement also states that withdrawals from Horizon Europe can be initiated by either party with 45 days' notice. This risks undermining confidence in the programme and, indeed, our global science base. How do Her Majesty's Government propose to ensure that the science base is secured, and funding secured, for the entirety of the period to 2027 in case of early departure?

[LORD KAKKAR]

It has been recognised throughout discussions on the withdrawal agreement that alignment of the regulation of clinical trials is critical. What arrangements do Her Majesty's Government propose to make now to secure that vital alignment of regulation? How do they propose to prioritise that within the context of the Medicines and Medical Devices Bill currently being considered by your Lordships' House?

1.41 pm

Baroness Bottomley of Nettlestone (Con): My Lords, I declare my interests as in the register and add my praise for my noble friend Lord Wharton of Yarm's maiden speech. I greatly admired his activities championing the northern powerhouse. At that time, I had reservations about his referendum activities, but all that is behind us now. I feel most strongly that the time of mourning and looking back has gone. We have spent a year arguing with each other; it is now time, as the noble Lord, Lord King of Lothbury, said, to think what we are going to do for Britain. Brexit did not cause our problems and is not going to answer our problems: it is our combined efforts—civil society, the commercial sector and the Government—deciding what we are going to do with our economic, industrial, commercial and social fabric that can make us the winners that we so want to be. We need a great deal of positive energy in that.

I commend the Prime Minister. He said he wanted Britain to leave the EU and to negotiate a trade deal. He has done both these things in the timetable he set for himself and the country. Politicians are often accused of not doing what they say: in this case, he and his team deserve credit for delivering what he said he would. Whatever the quibbles about the agreement we have reached, things would be a great deal worse without it.

Let me move to the detailed question about what we are going to do about our industrial strategy. Forgive me, this is not a matter of Twitter wars or soundbites but of extremely knowledgeable, experienced people coming together to look at our priorities: academics, leading businesspeople and top-quality civil servants. I think it is time to reverse the balance: for campaigning, political skills are excellent, but now we need a much more hard-headed, cool-hearted, pragmatic, logical purpose. I hope we will see more people join the Government who have those skills—there are many of them in the Tory Party—and can take people with them and earn respect.

I particularly commend the activities of the International Chamber of Commerce. For many years, it has been unequivocally committed to global trade. Those who work with the ICC—I have been a director of the UK component for many years now—argue that we should reset trade relations, do trade differently and develop a trading strategy that includes climate, development, digital and foreign policy to deliver a more inclusive, sustainable and greener economy. So say I. We remain the world's fifth biggest economy and have any number of settings where we can play our part, whether it is CHOGM, the G7 or COP 26, which will be a really exciting moment for us later in the year.

We need to put a positive message of how we are going to put the past behind us and remain on extremely civilised terms with our European friends.

Of course, European Britain is part of global Britain, and constantly blaming the inadequacy or otherwise of the agreement will be exactly like when people complained that everything that went wrong in Britain was Europe's fault. We need to stand on our own two feet. We need a degree of Margaret Thatcher's bracing energy and positivism; no carping, constructive work and looking forward. Let me just say—have I got time?

Lord Parkinson of Whitley Bay (Con): There was an error with the clock, but I fear my noble friend has had her two minutes.

1.45 pm

Lord Berkeley (Lab) [V]: My Lords, on 10 December I spoke in your Lordships' House about the Government's lack of preparedness for Brexit at our ports. In responding, the noble Lord, Lord True, said he did not carry any responsibility for public conveniences on the M20 or in other places. On planning contingencies for what or may or may not happen after 31 December, he said:

"I assure the noble Lord that all eventualities are taken into consideration."—[*Official Report*, 10/12/20; col. 1402.]

I would add that they have not been acted on. We had the delays due to coronavirus, which led to trucks being stuck in Manston and maybe Sevington for nine days because their drivers could not get tests; while over Christmas, and even today, we have heard of delays at Dover and Holyhead, as the noble Baronesses, Lady Finlay and Lady Randerson, have said.

In December the Transport Minister decided that the Government need to build new holding parking on the A20 on a greenfield site at Whitfield and Guston, just outside Dover. The Minister wrote to residents on 31 December saying,

"I would like to inform you that the Department for Transport has purchased the White Cliffs site in Dover and intends to develop an Inland Border Facility for use from July".

Can the Government not think more than one day ahead? They have known about the need for these parks for four years, although if they have been thinking about it then presumably, they have kept it secret. On 31 December, the day before the change took place, these poor residents heard that they were going to have a great big motorway service station next to their houses. Can the Minister explain whether planning permission has been or will be sought? What consultation will take place with the residents to tell them what is going on?

1.47 pm

Lord Lea of Crondall (Non-Aff) [V]: My Lords, as a friend of the Wigmore Hall, I add my voice to those who say that there is something quintessentially European about music—classical music in particular and of course, within that, chamber music; artists fly around at very short notice, and that is how it has to be.

I have two main points to make. First, I echo what my noble friend Lord Hain said about the inadequacies of the agreement. He is one of a number of us who, on

a cross-Bench basis, are trying to work through how a new type of framework agreement with all the countries of the European Economic Area could be constructed over the next five years to make sure that we are able to play a full part. Unless we do so, we are in a vicious circle on the question of “taking back control”.

Secondly, we have to demonstrate to people in Wakefield and Widnes, and I think we can—we tried to do it when Jacques Delors came to Bournemouth, in 1988, as many noble Lords will remember—that the one way in which we can protect workers’ rights in an increasingly multinational framework is to have a strong European social chapter. That is something we have to present afresh. The reason why the British system is now seen to be anti-worker in many quarters, with the phrase “take back control” ringing that bell, is that 60% of the hostile mergers in Europe in the last few years have been in Britain. We have to go forward and engage people in industry. I was a member of the Bullock committee in the 1970s, and that sort of approach has to come back.

1.49 pm

Lord Risby (Con): My Lords, I very much hope that, as an independent entity, we can enjoy a positive and productive relationship with the European Union. Its prosperity is in our interests.

Our new status unlocks the capacity to embrace new trade and investment relationships. Of course, many of our 63 accords signed up to essentially replace existing EU trade agreements, but all offer expansion potential. For example, clear parameters have been agreed with Japan for regular meetings to examine expanding financial sector linkages. For the first time, the Bank of England, the Stock Exchange and HM Treasury are formally participating in this process. Japan is anxious to support our membership of the CPTPP, the trans-Pacific partnership, which it is chairing this year and to which we are soon to apply. It is worth noting that, in dollar terms, while the United States’ share of world GDP remained steady at 25% between 1990 and 2019, the EU’s fell from 30% to 20%. The pointers are obvious.

Many of your Lordships have underlined the necessity for us to obtain equivalence for our financial sector. My noble friend has reiterated our commitment, but the real competition for us, and indeed for any other financial sector, is New York and Singapore. So, for our unique financial sector, we must make sure that our interests are recognised—and indeed, in the interests of all of Europe.

Of course, our financial institutions will inevitably have increased their activities in the EU, but our financial sector coped brilliantly with the huge changes that occurred during the big bang, and it resurrected itself after the huge damage done by excess and the dysfunctional regulatory system that marked the financial crisis. Our financial sector should, and will, remain an irreplaceable asset for us and indeed for our neighbours.

1.51 pm

Lord Ricketts (CB) [V]: My Lords, one of the most mystifying gaps in the agreement is the absence of any provision for co-operation on foreign policy and defence,

which the noble Lord, Lord Hannay, also touched on. These are areas where Britain was highly influential as a member state. We were often able to increase the impact of our policies by lining up the EU behind them. The EU wanted a continuing partnership in this area, and it was in British interests to do that, yet the Government refused any discussion. Perhaps the Minister can explain why.

He might reassure us that Britain will rely on bilateral links, especially with France and Germany. Of course, these will remain important, but let us remember that the primary loyalty of both Berlin and Paris will be to policies decided in the EU. Those policies will have an impact on this country; we should be influencing them. British Ministers will not have the time to lobby each EU member state separately. The right answer, surely, is to have regular, structured consultations with the EU on foreign and security policy. If that is too much to contemplate at this time, will the Minister tell us whether the Government will take up President Macron’s proposal for a European security council outside the EU as a forum for European countries, including Britain, to consult on foreign policy?

In my remaining seconds, I will add my voice to those of others who have underlined the plight of people in an industry that is of huge importance to our soft power overseas—that is, musicians and performing artists. In his opening speech, the Minister accepted that the Government had failed to secure reciprocal visa-free access for musicians. That will have a major impact on the sector. For example, the capacity of our great orchestras to tour in Europe will be gravely damaged by a combination of the need for a work permit for each country they visit, complex and expensive customs arrangements, and limits on road haulage. Will the Minister confirm that the Government will work to reduce the burdens on this sector, which is worth four times more to the British economy than fisheries?

1.53 pm

Lord Truscott (Ind Lab) [V]: My Lords, as has been mentioned, the trade and co-operation agreement is a damage-limitation exercise. As has also been said endlessly, Her Majesty’s Government should have got a better deal on services. They should have used our undoubted leverage over fish—the one ace we had up our sleeve—to ensure access. Instead, we bartered away our fishing waters for precious little, if any, quid pro quo. President Macron wanted our cod and to eat it, and largely he was successful. Once again, the European Parliament, the supposed democratic arm of the EU, has been sidelined; the agreement’s ratification is a foregone conclusion.

We should also be concerned about how the British Parliament has been treated in this process—with nothing less than contempt—by our own Government. This agreement was rushed through Parliament with precious little democratic oversight. As noted by many noble Lords, legal experts have predicted that the trade agreement with the EU is anything but watertight and could lead to arbitrary revocation and retaliatory tariffs, impacting the UK’s economic stability and investment climate.

[LORD TRUSCOTT]

Much remains still to be negotiated with the EU, creating more uncertainty, not least access for our financial services and, as mentioned by the noble Lord, Lord Ricketts, just before my speech, sectors such as our music industry. There are already reports of backlogs, as the noble Lord, Lord Berkeley, and other noble Lords said, at our ports, as exports are delayed due to the new paperwork required. These delays particularly affect perishable goods such as fish. As the CEO of Marks & Spencer said:

“Tariff free does not feel like tariff free when you read the fine print.”

Businesses also face possible tariffs for re-exporting goods to the EU. Some parcel companies have already suspended road deliveries to the continent. This was not what we were promised by the Brexiteers. A deal was always going to be better than no deal, but this agreement has more holes in it than a Swiss cheese.

1.55 pm

Baroness Blower (Lab) [V]: My Lords, even given that the Prime Minister has a propensity for colourful and sometimes distinctly inappropriate turns of phrase, his assertion that, post Brexit, we will not be sending children up chimneys or pouring raw sewage on to beaches does not give confidence to those of us who are concerned about the future of environmental protections and workers’ rights. It is of course the case that, over the years, trade unions have struggled long and hard to achieve decent terms and conditions for their members. Even so, many of those workers whom the Covid crisis has shown to be central to the effective functioning of our society—care workers, shop workers, delivery drivers and cleaners—find themselves in insecure and very poorly paid work, notwithstanding their absolute necessity to society.

EU workers’ rights are by no means comprehensive, but they are significant on health and safety, equality and discrimination, paid holidays and working time. It is clear that, in the Brexit negotiations, the UK Government insisted on wording which could, and will in all likelihood, facilitate the dilution of workers’ rights deriving from the EU. Why was this done? Were it the Government’s intention to diverge from these rights by improving them, no wording would have been necessary. Perhaps the Minister can give a guarantee that the Government’s much-vaunted levelling-up agenda will see post-Brexit rights sustained and enhanced for all workers, rather than diluted.

1.57 pm

Lord Randall of Uxbridge (Con) [V]: My Lords, I congratulate my noble friend Lord Wharton of Yarm on his excellent maiden speech. A long and successful career here beckons, I am sure, and I remember well his Private Member’s Bill.

Like so many, not just in this country, I was relieved that at the last hour this deal was agreed. I was also delighted to hear that border fluidity between Gibraltar and Spain seems to have been resolved satisfactorily. We must also not forget our other overseas territories, whose trade and financing could be adversely affected by our leaving the European Union. Of course, there

will be many loose ends to tie up, to say the least. Time precludes me from raising more than one issue, so I will cover one area I have a particular interest in. Here I draw attention to my deputy chairmanship of the Human Trafficking Foundation.

Taking control of our borders should, in theory, present us with an opportunity to better prevent serious criminals and traffickers entering the United Kingdom. However, that will require us to maintain existing links to European Union intelligence sources. I understand that we will have access to passenger name records, but that we have not been able to continue with the European Criminal Records Information System and other important databases that could be crucial in our efforts to keep out those engaged in the appalling crime of dealing with humans as a commodity. Can my noble friend confirm that it was the European Union which refused to give us third-country access to certain data?

I draw your Lordships’ attention to the conclusion in the recent report by the Human Trafficking Foundation that

“the only way to tackle transnational modern slavery effectively is to do so in two ways: ... effective border control and identification processes—that means exit checks, better databases, and better checks at countries of origin in issuing visas—alongside ... safe, legal and fair routes into the UK, promoting good business practice and in all situations prioritising the safety of those who might be trafficked.”

We must ensure that we do whatever we can to continue that international co-operation in the coming months and years. We cannot rest on our laurels. There is still much work to do.

2 pm

Baroness D’Souza (CB) [V]: My Lords, I make no apology for returning to the Erasmus scheme. The Minister’s Answer earlier this week to a Question from the noble Baroness, Lady Garden, was less than satisfactory. He advanced two main arguments justifying the UK’s departure from the scheme. The first was that continued full membership would cost more than the expected income from the programme. There have been almost twice as many European participants to the UK in 2019. This should be a cause for soft power celebration. The additional cost to the Treasury was estimated at £2 million. In the grand scheme of things, this is not an exorbitant sum for creating opportunities for young people at the beginning of their careers to exchange ideas across international borders and to forge long-term friendships; 53% of all those UK students abroad were funded by the Erasmus scheme. The dividends from this kind of co-operation outweigh the yearly cost of our membership. It has been estimated that the true profit from Erasmus is in the region of £243 million per annum.

The second argument put forward by the Government is that, unlike the proposed Turing scheme, Erasmus is not truly international. Well, the 2019 Erasmus programme reports almost 1 million participant students working with 111 organisations on 25,000 projects throughout Europe and with non-EU partners from around the world. The proposed Turing programme, apart from its name, is a poor substitute, and is what others have termed “a small-minded move”. It is another national

mobility scheme and no equal to the multilateral, multifaceted, reciprocal Erasmus scheme, our departure from which will adversely affect universities and the taxpayer. It is to be hoped that the Government might reconsider its decision when the UK's membership of the Erasmus programme comes to an end later this year.

2.02 pm

Lord Razzall (LD) [V]: My Lords, sadly I cannot share the congratulatory tone of some colleagues on the Tory Benches regarding the recent trade deal. This deal is bad for jobs, bad for security and bad for our environment. The stark reality is that this is a much better deal for Europe than it is for us, for one fundamental reason which the Brexiteers have never really understood. As the noble Lord, Lord Horam, said, Europe benefits far more than we do from tariff-free trade in manufactured goods and farm products simply because they export far more to us than we do to them. The strength of our economy is much more in financial services, as noble Lords have said, the export of which is hardly left secure on the basis of this deal. But what is done is done and will not be undone in the foreseeable future.

Notwithstanding the Tory claims that they have got Brexit done, a huge amount of negotiation with our European partners remains. I only touch on a handful of issues. First, for manufacturers the biggest headache is the so-called rules of origin. Can the Minister confirm that the Government will now work through the new joint committees established by the deal to ease burdens on businesses wherever possible? Secondly, it is vital that our financial institutions can continue exporting services to Europe. Is the Minister satisfied that a satisfactory mutual understanding with the EU will be reached in March 2021 regarding regulatory equivalence, as provided for in the agreement? Financial services are not simply the product of banks and other financial institutions. The UK exports countless professional services to Europe. The largest, such as solicitors, accountants, architects and engineers, earn significant sums from Europe. All the deal does is provide a mechanism on which regulators can work together to establish mutual recognition of professional qualifications to enable professional services to be sold in Europe. Is the Minister satisfied that mutual recognition will proceed at pace?

As I said, this is a poor deal for the UK. Staying in would have been so much better, but surely the Minister must agree with Theresa May, in her retort to Keir Starmer in another place, that even her deal would have been better.

2.04 pm

Lord Sheikh (Con) [V]: My Lords, I welcome the agreement. As someone who voted in favour of leaving the EU, I am pleased we have been able to do so with a good and respectable agreement. As a businessman, I realise that in any negotiations you need to give and take and compromise, with the view that you will arrive at a win-win solution. I think we have achieved this. I declare that I have been a regional chairman and a member of the board of the British Insurance Brokers Association.

I would like to make three points. First, the insurance broking industry welcomes the deal, but one of its concerns is there is no equivalence provision. It asks the UK Government that, in their current negotiations with the EU, a system should be set up to replicate passport rights as closely as possible and implement this in the proposed MoU. Secondly, as of 1 January 2021, UK drivers and motorcyclists in Europe must have a green card in their possession; they will no longer enjoy benefits of access to the free circulation zone. The EU Commission has indicated that there must be consultation on this issue. I ask the UK Government to begin this consultation as soon as possible. Thirdly, I refer to the exchange of data among financial services organisations. The EU has agreed a specified period of four months, extendible by a further two months for the exchange. We ask the UK Government to negotiate a long-term solution on this matter. The exchange of data is very important to the financial services industry. I ask my noble friend the Minister to comment on the points raised if he can.

2.07 pm

Lord Davies of Brixton (Lab) [V]: My Lords, I would like to make two points to the Minister—first, a response to his wish to end the argument on our role in Europe and then a question. In his winding-up speech last week he said

“I agree with those who say that we should close the book ... on 47 tempestuous years in which the European question bedevilled British politics.”—[*Official Report*, 30/12/20; col. 1920.]

I do not know which book he has been reading, but he is very much mistaken if he thinks the treaty has brought an end to our debates about the European question. My two daughters cried they heard the result of the referendum. They, along with millions of other young people, will not forget or forgive the wanton vandalism of the Brexiteers. Rest assured—the book is far from closed on this issue.

I also do not understand how he can say that the book is closed when many crucial issues are unresolved. Discussions will inevitably continue for many years. For example, as has just been mentioned, there is inadequate provision for mutual recognition of professional qualifications. The treaty simply provides a framework, with the practice to be agreed through the Joint Partnership Council along the lines of the CETA treaty. This really is not good enough. Judging by the slow process of recognition under CETA, it means years of uncertainty. This not only leaves UK professionals at a competitive disadvantage, but it will make matters worse for our hard-pressed health and education sectors, where EU nationals provide so much essential support. It also poses an additional challenge for delivering the world-class academic research that underpins much of the UK's competitive advantage. Can the Minister and his colleagues offer any concrete hope of expediting action in this area?

2.09 pm

Lord Bilimoria (CB) [V]: My Lords, the annus horribilis of 2020 drew to a close. As I stated in the *Sun*, “what an important achievement this zero-tariff deal has been. Business wanted to leave the EU on good terms. And after four-and-a-half years of wrangling, my reaction to the Christmas Eve deal was: ‘Hallelujah!’”

[LORD BILIMORIA]

The deal was a prize. As I said in the same article:

“No deal would have been very pricey for us all as 54 per cent of our imports come from Europe. The cost of food in supermarkets could have risen between three and five per cent while cars would have become more expensive under WTO tariffs.”

Both the UK Government and the European Union deserve huge congratulations. As I stated in a *This is Money* article:

“This is a big step and a mighty relief for many firms. With a trade deal agreed, vaccine roll-outs starting and rapid mass testing, this can be a springboard to make 2021 a year of recovery. Importantly, a deal provides a platform on which to build and strengthen the UK-EU relationship in the years to come.”

As Tony Danker, director-general of the CBI, said, “it is vital that both sides take instant steps to keep trade moving and services flowing while firms adjust.”

Matthew Fell, Chief UK Policy Director for the CBI, said:

“It’s incumbent on both sides to minimise disruption and keep goods moving as businesses get to grips with the changes”.

Tony Danker also said that

“we need urgent confirmation of grace periods to smooth the cliff edge”.

while Matthew Fell went on:

“Authorities can help by relying on pragmatism rather than penalties. Honest mistakes should be coached, not penalised in the coming weeks ... Greater regulatory cooperation on financial services and mutual recognition of professional qualifications, are just two business-critical issues that will make a material difference. Over the coming weeks and months, it’s vital that government and business work closely to shape the new relationship with the EU and ensure the UK remains a competitive, dynamic and innovative economy.”

I was delighted to hear that Michael Gove’s Brexit business task force will continue to operate; that is excellent. We also welcome the fact that the deal paves the way for UK participation in Horizon Europe, but it does not contain provisions for the Erasmus programme between 2021 and 2027. There are concerns within the sector about whether the new Turing scheme can fully replicate the benefits of Erasmus, particularly due to the new scheme having no provisions for inward student mobility or staff placements. Can the Minister reassure us?

As I said in the *Sun*:

“We’ve got lots to look forward to ... Now is our time to shine ... What’s important is that this agreement has never been about the EU versus Britain. Our wealth and prosperity depends upon them and vice versa ... now is the time for the Government to seize opportunities. A trade deal means nothing unless British companies are able to make the most of it.”

This is just the beginning—let us make the most of it.

2.11 pm

The Earl of Shrewsbury (Con) [V]: My Lords, the vote on 30 December, followed by our exit from the EU on the 31st, was a truly remarkable couple of events in the history of this country. In the face of constant adversity and amidst negative attitudes from many, my right honourable friend the Prime Minister and my noble friend Lord Frost pulled off a Canada-style deal that was thought impossible. I applaud their tenacity and skill.

I believe that our future outside the EU looks exciting and full of opportunities. Last Sunday, I read a press article written by one of this country’s most

successful businessmen and exporters: my noble friend Lord Bamford. As your Lordships will be aware, my noble friend makes construction equipment, which is exported to all four corners of the globe. In the article, he said that, since it was founded in 1945, his company has grown to export products to over 150 countries worldwide. He stated:

“Let us be a lot more like the Germans when it comes to exporting. We really do need to be exporting a lot more ... We just need to seize more of the opportunities.”

He should know—those policies have served him extremely well. The CBI, the chambers of commerce and UK Export Finance have a major role to play in exploiting fully all the opportunities that will be provided by the dozens of new trade deals that the UK is entering into. It is bound to be a bumpy ride but the rewards could be phenomenal.

I agree wholeheartedly with my noble friend Lord Bourne of Aberystwyth when he says that there is much vital work to do to rebuild our friendship and trust with our European Union friends and neighbours. Now is the time to concentrate on building a successful and prosperous future—not continually carp on about the past like some noble Lords insist on doing. The future of this country is far more important than their views.

2.14 pm

Lord Empey (UUP) [V]: My Lords, in his opening remarks, my noble friend the Minister repeated the mantra that has often been used: we now have full political and economic independence and control over our laws, borders, money and trade.

No, we do not. In referring to “we”, my noble friend is not referring to the whole of the United Kingdom because Northern Ireland is still in the European Union and is still subject to laws made by a foreign power. As we speak, EU customs officials are standing in Northern Ireland ports. We cannot even move our own money from one part of the United Kingdom to another unless it is within EU regulations. My noble friend will have to forgive me for being like a gramophone record, but I must tell him that he will hear a lot more of this until there is honesty from Her Majesty’s Government. Having said that, my noble friend did make some attempt at the end of the last debate to be clear.

My second point was referred to in the opening remarks of the noble Lord, Lord Bassam: my noble friend’s right honourable friend the Secretary of State for Northern Ireland insisted earlier this week that there is no Irish Sea border, despite the fact that we are spending £7.25 million a week on measures to compensate businesses for the extra work and that EU officials are standing in ports as we speak. He is holding himself and the Government up not only to ridicule but to anger, as businesspeople face the consequences of this border. Can he impress on his right honourable friend that we must be honest and open? There is a border. Let us try to manage it to the best of our ability; let us not try to pretend it is not there.

2.16 pm

Lord Hendy (Lab) [V]: My Lords, 100 two-minute speeches today is what passes for scrutiny of this vital treaty. We surrendered our right to debate and challenge

it when, last week, we passed Section 36 of the future relationship Act, disapplying Section 20 of the Constitutional Reform and Governance Act 2010. I will spend my two minutes endorsing the speech of my noble friend Lady Blower.

The trade and co-operation agreement insists on the UK's right

“to determine the labour and social levels of protection it deems appropriate and to adopt or modify its law and policies”.

It permits the weakening of levels of protection below existing EU standards. There is a complex mechanism for challenging such weakening of protection, but it is open only to the EU, and only if it can show: first, that the UK has implemented “significant divergences” in protection; secondly, that these have

“material impacts on trade or investment”;

and thirdly, that the link is “based on reliable evidence”.

No worker, trade union or even employer has access to this or any other remedy. In fact, the TCA cannot be invoked at all in the courts. The EU did not seek a tilted playing field of this kind. It was the British Government who insisted on power to degrade the rights of British workers. The intent is clear: the Government intend to degrade the rights of British workers. We are warned. We are shamed.

2.18 pm

Lord Taylor of Holbeach (Con) [V]: My Lords, my interests are listed in the register. I will speak on matters of concern to my family's business interests. Along with other noble Lords, I am very much relieved to be able to welcome a deal. As a horticultural businessman growing and trading in bulbs and flowers, principally with the Netherlands, I have a feeling of déjà vu about pre-membership days when I started in the business—a return to the bureaucracy of data-inputting and inspections. This is not what Brexit was about. In particular, I do not want our business to lose its trade with an important part of the UK—Northern Ireland—nor, for that matter, with the Republic. However, a combination of the Northern Ireland protocol and phytosanitary regulations may make that inevitable.

We all know of the problems with Scotch certified seed potatoes, Lincolnshire sausages and wooden furniture from Cwmbran, and shoppers on the island of Ireland are rightly worried that suppliers and distributors based in Great Britain may find it impractical to serve their market. The added paradox is that EU suppliers will have the right of unimpeded transit, free of inspection, across Great Britain to deliver to Ireland, north and south.

If the agreement with the EU is truly about trade and co-operation, we have now designed an over-elaborate system. It is not sufficient to input customs papers; we also need to provide phytosanitary documentation. Why cannot the two be combined? Inspections of already-inspected produce add costs to business. To remain competitive, an answer might well be for us to change our business model and transfer some activity to Holland, but this will be of little comfort to the 150 people who work for us in Holbeach.

Pressures such as this will exist throughout the horticultural industry. I accept that some change is inevitable, but we owe it to British horticultural businesses

to work with them to ensure that they retain their role as a key employer in rural areas. Brexit should be and can be about putting British business and British jobs first.

2.21 pm

Lord Mountevans (CB) [V]: My Lords, of course, I too am relieved that we have a deal, but, building on points raised by other noble Lords, including the noble Lord, Lord King, and the noble Baroness, Lady Bottomley, I believe that it behoves us now to move the focus to what must be done by government, business and society to secure a successful future following this agreement. It is just us now. We have to address the opportunities and challenges with energy and urgency if we are to succeed. We have to and we will.

First, I have great faith in the City of London's ability to invent and innovate, but any damage to the financial services sector is damaging indeed, so I want to add my support to the stress being laid on the importance of reaching an agreement with the EU on equivalence and on the mutual recognition of professional qualifications.

Secondly, SMEs are the lifeblood of the economy and where we look for growth. Germany pays 50% of international trade show expenses for its SMEs. Singapore also has a scheme. A similar arrangement here would have a profound effect on encouraging small and medium-sized businesses to export and on getting them launched internationally.

Thirdly, we must redouble our efforts to ensure that the UK remains a great place to do business, and, in parallel, we need to hone the promotion of our offer internationally. We have some excellent products and services, but we urgently need to sharpen our sales and marketing skills now.

Related to this, and it is frequently heard in this House, there is an urgent need to upgrade and increase the teaching of foreign languages in our schools and universities. I invite the Minister to consider these points.

2.23 pm

Baroness Jones of Moulsecoomb (GP) [V]: My Lords, it will come as no surprise to your Lordships' House that all three Green parliamentarians—one MP and two Peers—voted against the trade deal which the Government have negotiated with the EU. Among other problems with the deal is a loss of democracy. We in Parliament are expected to rubber-stamp not just this deal but other legislation. There is minimal security, there is little ability to amend, and we cannot even seriously question Ministers. This deal is not about the UK Parliament taking back control, which is what the Government consistently tell us; it is about a power grab by the Executive. In his opening remarks, the Minister spoke about his respect for Parliament and for democracy, so I assume that he is just as concerned about these issues as I am.

In the deal, I reject the minimum guarantees on standards for the environment and the loss of freedom of movement. Our young people will miss the advantages of travel and the loss of the Erasmus scheme. We have

[BARONESS JONES OF MOULSECOOMB]

all gained an extra set of expenses for health insurance and other costs every time we take a trip across the English Channel.

As I never tire of telling your Lordships' House, I voted for Brexit, but I think this is a terrible deal. I voted against it, because it leaves the British people much worse off. Of course, instead of creating 50,000 jobs to deal with the growing crisis of the climate emergency, what the Government have actually done is created 50,000 customs agents to check over the estimated 211 million extra forms that exporters will need. "Brexit red tape" is a phrase that we will hear a lot more of.

This is nowhere near the best deal. The Government really have messed up, and I think we will see more and more problems with the deal over the months and years to come.

2.25 pm

Baroness Verma (Con) [V]: My Lords, I refer to my interests in the register. It is now time to ensure that, against the challenges of Covid-19, we as a country talk up our ability to go out, to engage, to get progressive and advantageous trade deals and stronger engagement with the emerging economies of the world, and to develop even closer relationships and exchanges of information and intelligence with our EU friends and those globally that we share common goals and threats with.

Can my noble friend the Minister provide comfort and confirmation to the SME sector, which throughout the transition period raised concerns about preparedness and readiness, that it will be properly supported, not penalised, if it makes errors in the early days, and that there will be some grace period to help SMEs to embed the processes and systems required? Many have told us that they are fighting the impacts of the pandemic, and that has dramatically impacted on their cash flows.

Would my noble friend also tell me what support those currently working in the EU are being provided to ensure that they do not face any untoward hardship or difficulty in continuing to work in Europe? I wish to know what they need to be done in a respectful way, just as we would be treating EU citizens in the UK.

Finally, with the growing rise of racism in some parts of Europe, will my noble friend ensure that all UK citizens are free from harm, discrimination and barriers to opportunities with this new relationship? I do not want to see certain parts of our country unable to access the benefits that we will find outside the European Union.

2.27 pm

Lord Morris of Aberavon (Lab) [V]: My Lords, may I make three short points if there is time? First, my family have been Welsh sheep breeders for centuries and continue to do so in three Welsh counties. Hill sheep farms are small, and imaginative plans for new environmental subsidies do little to help their budgets. An export tax of more than 40% on lamb would have put them out of business and, indeed, a way of life. Hence the agreement is a huge relief, and I welcome it as the best of a bad job.

Secondly, the Home Secretary claims that Brexit makes us safer. A letter in yesterday's *Times* from Mr Hepburne-Scott, a barrister, finds that at Westminster Magistrates' Court there were nil extra extradition warrant cases so far this week, compared to often up to 10 cases a day under the old European arrest warrant. This is the direct result of losing fast access to European crime/DNA databases. I endorse the comments made by my noble friend Lord Blunkett, and I would be grateful for the Minister's comments today, or in correspondence, on this very issue.

Had there been time, I would have expanded on my third point. I would have raised the issue of the reports of problems of freight transport and inadequate paperwork. What are the Government doing to remedy this? The noble Baroness, Lady Randerson, raised the issue of the state of the infrastructure at Holyhead and Fishguard. They both serve the Republic of Ireland. Likewise, the port in the north of England supports trade to Northern Ireland. What is the state of play regarding the infrastructure at all ports serving the island of Ireland?

2.29 pm

Baroness Humphreys (LD) [V]: My Lords, with this agreement, British exceptionalism has hit reality: yes, we have a deal with the EU, but, of course, it is a deal full of checks and balances. Both parties can engage in cross-sector retaliation in case of violations of the agreement; no one gains. Crucially, no sector of our economy can claim that this deal is better than the deal we have rejected. Welsh farmers now understand that tariff-free and quota-free access to EU markets comes with border inspections, more paperwork and more cost. Our fishermen now see the reality of taking back complete control of our waters: the imposition of tariffs in 2026 if we do so. In the words of Ursula von der Leyen:

"Britain has won nothing and has lost a continent."

However, as we come to terms with this new governance structure, it seems appropriate to reassess the governance of our union of four nations. My support for this union is based on pragmatism rather than passion—a belief that we are stronger together—but it is a union that is no longer working for too many people. It is a union that has developed over the centuries but is now in need of reform; it needs to discuss and decide how it wants to be governed in future years as it responds to the challenges of this century and Brexit.

We have already had a taste of this Government's attitude to devolution in recent Brexit Bills and, for many of us, it has not been a pretty picture. My conclusion is that we all need to talk, but my fear is that we could already be too late. The fault lines are opening and will eventually split asunder. As di Lampedusa says in his novel *The Leopard*, if we want things to stay as they are, things have to change. The initiation of the process of change to an agreed, modern governance structure for the UK lies in the hands of the UK Government.

2.32 pm

The Earl of Sandwich (CB) [V]: My Lords, this agreement has offended against CRAg scrutiny and all our normal procedures for passing legislation; our

constitutional experts are either outraged or turning in their graves. It was passed into law through remarkable sleight of hand—otherwise known as the blackmail of the cliff edge. Those of us who had three minutes last week had to splutter short sentences—and today, with two more minutes, we are hardly able to complete them.

Of course, I agree with the Constitution Committee’s call for urgent post-legislative scrutiny, and I look forward to the work of the new EU committees. The Commons Committee on the Future Relationship with the European Union has already started hearing expert witnesses on the deal, and it is not all negative, even on security. They are now politely calling it a “framework deal”, but I would call it a mess. Before there are any real answers from these inquiries, it will go to the European Parliament, although it will have difficulty in changing any of it. At least we will be able to learn from it as ex-members, but it is a sorry situation for UK parliamentarians—but that has been said many times.

The part that will interest the Euro MPs particularly concerns level-playing-field commitments, which the Commission describes as “ambitious”: workers’ and consumer rights, environmental protection, the fight against climate change and tax transparency. They will also discuss rules of origin, which undoubtedly bring potential gains for both the UK and the EU—so there is a lot to play for.

When the Prime Minister is not trying to please his Brexiteers, he can be almost European, one might say—after all, he has lived and worked in Europe, and he was brought up as a European. More recently, he has paid compliments to Frau von der Leyen—so I guess he must be a Europhile after all.

2.34 pm

Baroness Warsi (Con) [V]: My Lords, I draw the House’s attention to my interests in the register and I too start by congratulating my noble friend Lord Wharton of Yarm on his maiden speech. As someone who also entered the House at the grand age of 36, I say to him, “Pace yourself, it’s a long road ahead.”

I welcome the deal because it is better than no deal and because it provides some stability for business—and I welcome the agreement on tariffs, which has eased some of the anxiety faced by business. But in my two minutes I want to draw my noble friend’s attention to the real-life implications of these changes for businesses.

In preparing for the debate, I attempted to run through the process of obtaining the information and completing the new documentation required to export to an EU state. It is far from straightforward. Having read through numerous documents, visited numerous websites, been advised to join more webinars and watched hours of YouTube videos, I was directed and encouraged to contact an external organisation that could assist me with the necessary paperwork, for a fee, on a transaction-by-transaction basis.

I personally went through the system and process that businesses are doing as we debate. What concerns me is that there is no single portal or place to get vital information. It is naive and out of touch of us to assume that small business owners have the time to dedicate

hours to video watching, hoping that the next one will be relevant and have the answers. It is worrying that we assume, in these pandemic-hit, difficult times, that they have the headroom to absorb additional costs in simply trying to carry on the trade they were doing last year. Additionally, training on these changes and additional staff time will have to be organised and budgeted for.

In preparation for the debate I spoke to a number of manufacturing businesses that have also been going through this process. They anticipate a morning’s worth of paperwork and preparation per export transaction. The optimist in me would like to think that these are simply teething problems, but the realist in me fears that it is not and that it will—certainly in the short term—make British business less competitive.

I have two short questions. First, do the Government feel that businesses coming out of a pandemic have the time or capacity to absorb additional costs of production and provision? Secondly, would it be prudent for the Government to provide financial support to enable businesses to implement these changes?

2.37 pm

Baroness Kennedy of Cradley (Non-Affl): My Lords, with the alternative being no deal this deal had to be accepted, but there are significant problems with it that need to be addressed. In the short time we have to speak I will restrict my comments to the gaps in the deal that will cause significant problems for one of Britain’s most successful exports: our world-leading music industry. I agree wholeheartedly with the comments already made by the noble Baroness, Lady Bonham-Carter of Yarnbury.

The EU is the UK’s biggest overseas market for our £2.9 billion music export market. Despite this, the deal is a bad deal for our musicians and their crews to work and perform in the EU. It adds extra costs and a significant amount of bureaucracy.

I ask the noble Lord, Lord True: why did the EU reject including musicians in the agreement’s annexe on independent professionals explicitly allowed to work short term without a work permit? This omission means that UK musician seeking to work in the EU will be considered third-country nationals and will therefore need to meet the various requirements of each member state. Can you imagine the complexity of the paperwork for a touring 70-piece orchestra needing to secure a work permit for every person for every country visited on the tour? The level of additional red tape is huge, not to mention the additional costs now due through the requirement for an annual carnet, which costs hundreds of pounds for each musician travelling with an instrument or equipment.

The Government rightly committed to negotiate a reciprocal arrangement for UK musicians to tour the EU, so I ask the Minister: can this pledge still be honoured, and what steps are the Government now taking to overcome this devastating omission?

2.38 pm

Viscount Waverley (CB): My Lords, after four fractious years we must expend only positive energy, work at our relationships and discourage the chimerical words “I told you so”. Our journey begins now, and we must

[VISCOUNT WAVERLEY]

make this work. However, while the Minister's opening remarks did strike the right note, much needs to be done, such as a foreign and trade policy that impacts global Britain, which I hope we will have the opportunity to address in a debate in your Lordships' Chamber quite shortly.

I offer six target objectives and five pointers for business. The objectives should include: a green trade strategy; a strategy which promotes nationwide economic opportunities and sustainable high-quality jobs; a fair and sustainable multilateral rules-based system and the promotion of responsible supply chains; capitalising on opportunities of the digital economy and promotion of digital rights; promotion of sustainable investment and finance that addresses the global trade finance gap; and a strategy that secures the confidence of stakeholders and the public through consultation and high levels of transparency and accountability.

Pointers for business include, first, safeguarding European supply chains in the UK's springboard into the EU market, and avoiding heavy tariffs in areas such as rules of origin if importing from outside the EU and then exporting into the EU. Secondly, as service industries make up 80% of the economy and 50% of our EU trade, we must secure equivalence agreements in areas such as data, qualifications and financial services. Thirdly, more should be done to help SMEs to minimise the increased volume of cross-border red tape. We can learn from elsewhere: the use of blockchain technologies in Thailand has reduced trade costs by half by replacing old-fashioned systems with modern technology and the linking of systems. Fourthly, safe travel routes must be established across the continent. Advanced technology, testing and vaccine capability all exist but must be made less expensive and cumbersome. Fifthly, and lastly, it is strategically important that we focus on major bridge-building partnerships by capitalising on every opportunity: the G7, the G20 and COP 26 put us in a good place.

2.41 pm

Lord Fairfax of Cameron (Con) [V]: My Lords, I also congratulate my noble friend Lord Wharton on his strong maiden speech. Like many others, I congratulate the Prime Minister and my noble friend Lord Frost and his team, but also Ursula von der Leyen, on achieving this deal. There is a saying that the definition of a good settlement is one where both parties are unhappy, but in this case both sides profess to be happy; therefore, it is all the more of an achievement. As I say, I include the President of the EU Commission in that accolade. Like us, she saw the nonsense of no deal and the sense of a pragmatic deal. Of course, as many have said, the deal is not perfect, particularly in financial services and fishing. However, it mostly achieves for the UK what very many here wanted. Meanwhile, the Department for International Trade has quietly got on and signed over 60 bilateral trade deals, as your Lordships have heard, and CPTPP membership is now within possible reach.

For much of the period of its membership, the UK has often been an awkward and uncomfortable member of the EU. With its departure in this deal, it is much

better for the UK to have cleared the air and to move to a less tense and more harmonious future relationship with our former EU colleagues. As the vast majority in this country wish, let us put the acrimony and bitterness of the last few years behind us and instead go forward in a mood of positivity for the benefit of our country, as indicated by my noble friend Lady Bottomley. This is what our country badly wants and needs. Despite what some Jeremiahs sadly still say, I sincerely hope that this is not a Panglossian aspiration.

2.43 pm

Baroness McIntosh of Pickering (Con) [V]: My Lords, I also warmly welcome my noble friend Lord Wharton and congratulate him on his maiden speech.

This is definitely an agreement towards a relationship on which we can build, so that is very positive. However, I urge my noble friend the Minister to turn to some urgent matters in the first few days of the agreement being in place. In particular, while I welcome that the agreement has led to no tariffs or quotas, I am sure that he will share my concern on the rules of origin provisions and country of origin rules. He was silent on this point but already it is having grave repercussions for our food and drink industry, which is the largest manufacturing industry in the country. Will he therefore urgently address the issue so that products such as pies, sausages and other processed meats can be exported fresh rather than just frozen, which is the position from 1 January?

I realise that the bottleneck at Dover has been eased at the moment as we are currently running at only about 15% of its 2019 capacity, but will my noble friend look favourably on increasing the freight capacity on east coast ports? I think in particular of the capacity that has been released with the sad loss of the Hull to Zeebrugge ferry service, but also increased capacity through other east coast ports, to ensure that northern businesses such as Potter of Melmerby and Reed Boardall of Roecliffe do not have to trundle down to Dover to access the EU market.

There is a severe shortage of vets, which has been exacerbated by the fact that we now require vets in connection with the urgent release of export health certificates. Perhaps my noble friend can address that, as well as the loss of access to the European Food Safety Authority and what will replace it.

Lord Parkinson of Whitley Bay (Con): My Lords, we need to have a short break to allow for the digital switchover of noble Lords taking part remotely.

2.46 pm

Sitting suspended.

2.56 pm

Lord Griffiths of Fforestfach (Con) [V]: My Lords, I welcome this agreement. It is certainly better than no agreement but, more importantly, it delivers to the people of the United Kingdom what a majority voted for, and for that the Prime Minister, the noble Lord, Lord Frost, and his negotiating team deserve great credit.

Could the agreement have been more extensive—less thin? Almost certainly it could have been, but on the one area I know something about—financial services—

your Lordships should be cautious before being overly critical. Agreements on services are typically much more difficult to negotiate than those on goods. Financial services are especially difficult because of the complexity of financial products. Agreements in this area impact on the liquidity and solvency of banks, and therefore on the stability of the financial system as a whole.

I take great comfort from three things: first, that we start from a position of equivalence; secondly, that at present the Treasury and the Bank of England are working on a memorandum of understanding, due to be finished by March; and, thirdly, that the Economic Secretary to the Treasury in another place, John Glen, has made it abundantly clear that we have no desire to lower our prudential controls to win business. Therefore, I believe that unless one party is resolutely protectionist, we can secure a deal.

This is a vast subject but I say in conclusion that only rarely does a country—or, as in our case, a group of countries—have the possibility of resetting its direction of travel. This is just such a time for the UK: supporting enterprise; encouraging investment through saving, as the noble Lord, Lord King, said, in order to have wealth creation; renewing our democracy through less centralisation; and strengthening the institutions of civil society, starting with the family. I believe that Brexit has created a great opportunity for us, and it is now for us to respond.

2.59 pm

Lord Sikka (Lab) [V]: My Lords, despite commitments to fair competition and level playing fields, the TCA says little about tax policies. We had no debate and no ministerial clarification on the matter. The issues are likely to be problematic, especially as the UK is well on the way to becoming a tax haven for big corporations and the rich. Here, taxes have been shifted from capital to workers and consumers, unearned income is taxed at a lower rate than earned income, non-dom millionaires enjoy special privileges, and many companies pay little or no corporation tax. Despite numerous court cases, no big accounting firm has been investigated, fined or prosecuted for peddling unlawful tax avoidance schemes.

Outside the EU, the impulse of the Government is to turn the UK and its Crown dependencies into harmful tax havens. Inevitably, this will invite disputes about what fair competition, level playing fields and state aid mean. Last Sunday, the Prime Minister told the BBC's "The Andrew Marr Show", "You can use tax systems and subsidies to drive investment." In this race to the bottom, the Prime Minister made no mention of the social costs. There is a failure to understand that businesses thrive on good social infrastructure, and this requires transparent and responsible tax policies. Will the Minister provide assurances that the Government will not turn the UK into a shabby tax haven for the rich and for footloose capital?

3.01 pm

Lord McNally (LD) [V]: My Lords, as has been said by a number of noble Lords, this agreement mainly ignores the 80% of our economy covered by services. Everything from data adequacy to proper arrangements for our creative industries is left in the "work in progress" or "it will be all right on the night" category.

Financial services remain particularly vulnerable, and here I register a concern that the post-Brexit committee structure for this House does not include a specific financial services committee. That sector is not only one of the most important and successful parts of our economy, but one that might be most susceptible to the activity of buccaneers seeking to make London the money laundering capital of the world. It is a mistake not to have a specialist committee, either of this House or a Joint Committee of both Houses, to keep a close and expert eye on this important sector.

Secondly, the Brexit settlement faces us with the challenge of how really to return sovereignty to this Parliament and not simply to government Ministers. We have already seen the rampant use of Henry VIII clauses in much of the Brexit-implementing legislation. It is now abundantly clear that we need to reform the 2010 CRA Act and curtail use of the royal prerogative, if parliamentary sovereignty is to be established over executive power in trade agreements and other treaties and executive actions.

3.03 pm

Lord Flight (Con) [V]: The TCA comprises a detailed and complex agreement, which looks, in the main, to be a fair and sensible deal for both the EU and UK. It reads as though it may have been drafted by members of the Department for International Trade. It comprises seven separate parts, plus a number of annexes and three protocols. Of particular interest are the joint declarations on financial services and regulatory co-operation.

Key aspects of the TCA include tariff-free and quota-free trade in goods, and provisions made for rules of origin that will need to be met for goods to qualify for preferential trade terms. The TCA covers transport, hauliers and air travel, law enforcement co-operation, government structures and ongoing participation in some programmes. It creates a number of government structures to be managed by new partnership councils. It includes level playing field requirements to prevent distortions to trade.

The most important trade co-operation issue is that the UK has a fair deal for financial services—our largest industry. As other noble Lords have pointed out, there is still a lot to be done to negotiate equivalence. It is constructive that the Treasury—with the help of the Bank of England, I am sure—is producing a memo on undertakings. I believe we can complete and polish the deals on financial services, but it will take some time. I close by adding my welcome to my noble friend Lord Wharton.

3.05 pm

Lord Butler of Brockwell (CB) [V]: My Lords, I address my two minutes to prospects for the financial services sector, drawing attention to my interests in the register. Many have criticised the thinness of the agreement in respect of financial services, but the surprising thing is that so few cries of alarm have been heard from practitioners themselves. In the next three months, there are to be negotiations about access. Of course, we should not expect the EU to make things easy. Paris

[LORD BUTLER OF BROCKWELL]

and, particularly, Frankfurt have long aspired to challenge London's supremacy, and this week the Governor of the Bank of England warned that becoming a rule-taker would be too high a price to pay for equivalence. Nevertheless, I am even more confident than my old friend the noble Lord, Lord Griffiths of Fforestfach, about the prospects for this sector.

First, the UK financial services sector is innovative. It offers a complex of services, an ecosystem that, combined with the asset of the English language, is difficult to replace. Secondly, the EU would find it difficult to discriminate against the UK in this field without also cutting itself off from other markets such as the United States. Thirdly, financial services are not like goods; they are not material items that can be identified and controlled as they cross borders. In the lead-up to Brexit, fewer jobs have been moved to Europe than pessimists predicted. It may be that a greater number of financial transactions will be conducted and taxed on the continent, to the cost of the UK Exchequer, but I believe that they will still be conducted by UK-based companies. In this area, as in others, the market is likely to decide. The test will be the quality of services that our financial services sector provides, and in this I believe that we can be confident.

3.07 pm

Lord McCrea of Magherafelt and Cookstown (DUP) [V]: My Lords, I welcome the fact that the United Kingdom has left the European Union, but there are aspects of the trade co-operation agreement that will not apply equally to all parts of the kingdom. Northern Ireland is forced to operate in line with the UK-EU protocol imposed upon it. Throughout the exit discussions with the Government, the principle that guided my colleagues was always that Northern Ireland's place within the internal market must not be undermined, and that Northern Ireland must continue to enjoy unfettered access both to and from Great Britain. However, under the protocol there are barriers to internal trade within the United Kingdom, and businesses are already experiencing economic disadvantage.

We were told, of course, that the protocol was built upon the foundation of the Belfast agreement. Will the Minister tell us why our Government do not activate Article 16 of the protocol, which provides a mechanism for the protocol to be unilaterally disapplied by either the Government or the EU if its imposition leads to serious economic, societal and environmental difficulties that are liable to persist, or to diversion of trade? While we fulfil all the demands of the protocol, to the detriment of our businesses, because of the severe difficulties facing Irish businesses, the Revenue Commissioners in Dublin have moved unilaterally to simplify the procedures without fanfare. The present procedures are cumbersome, causing produce to vanish off supermarket shelves.

It would be helpful if the Secretary of State for Northern Ireland changed his rhetoric, as he continually lives in denial when he asserts that there is no Irish Sea border. Perhaps he could tell that to the freight companies who use the seaports daily. He needs to explain also why his Government provided millions of pounds, demanding the erection of infrastructure at all our

seaports. With the power to disapply unilaterally these impediments, will the Government act now? They need to be bold and underpin our full place in the most important internal market for us, that of the UK, with unfettered access, as we were promised.

3.10 pm

Baroness Gardner of Parkes (Con) [V]: My Lords, I welcome that the UK and EU came to an agreement, albeit disappointingly late in the day, leading many to scramble to get to grips with what it means for them, their business and travel arrangements and even their pets. I welcome the co-operation agreement but there is still much work to be done to address the detail behind the 1,200-page document.

I was concerned to read in today's *Telegraph* that Cornish fishermen's catches are being left to rot due to the lack of proper paperwork. They need a European health certificate to prove that their fish meet European standards, which means that a Defra-approved vet must inspect the fish. This is a travesty.

I welcome the provision of reciprocal healthcare with the EU. Can the Minister clarify what countries are covered and who the new global healthcare insurance card will cover? The GOV.UK website guidance refers to some short-term visitors to the UK not being covered. I wonder whether this may also be the case for UK residents travelling to EU countries. It is important to know exactly who will be covered.

I recall just before we joined the European Union the dissatisfaction of Australians, of whom I am one, with the great difference in butter prices between there and the UK. This was due to a very old and long-lasting contract. I would think it wise in future contracts to have an element of review and renew.

3.12 pm

Lord Young of Norwood Green (Lab) [V]: My Lords, I declare my interest as an apprenticeship ambassador. Like many of my colleagues I voted remain but, as George Brown once said, "democracy has democked". I, like many noble Lords, prefer to focus on how we put flesh on the bones of what I would describe as a framework agreement.

The noble Lord, Lord Curry, referred to the importance of European vets in our export/import trade. I ask the Minister to recognise the importance of training our own vets. It is a profession which, unlike nursing and teaching, does not have a vocational route. Veterinary apprenticeships would offer a skilled and rewarding career to young people. I would welcome the opportunity to meet the Minister to discuss this.

The current pandemic crisis has shown us the importance of carers and of ensuring that the Immigration Rules recognise their important contribution to care in this country. We also need to enhance the training and status of carers if we are to fill current vacancies and meet what I can only describe as an ever-expanding need, given the demographics of our population.

I do not regret saying goodbye to the common agricultural policy, which I do not believe contributed to a sustainable environment. I trust that the new subsidy arrangements will make a positive contribution

in that direction. The noble Viscount, Lord Waverley, outlined very well the importance of a strategy to develop this framework agreement to ensure that we maximise our opportunities, and discussed the importance of SMEs. I look forward to the Minister giving us the opportunity to debate this future strategy.

3.14 pm

Baroness Deech (CB) [V]: My Lords, there are many gaps and unknowns in this welcome treaty. It is essential that Parliament be kept up to date with every meeting under it, every change, challenge, dispute and new agreement. I have in mind, *inter alia*: the partnership council and its 18 specialised committees; the parliamentary partnership assembly; the civil society forum; the panels of experts on non-regression and the level playing field; the arbitration panel on rebalancing; and the bodies settling professional qualifications and financial services. The membership, agenda and minutes of all these bodies should be made available, and Parliament needs to be updated constantly. The European Affairs Committee will be insufficient if it is fed decisions *ex post facto*. The House needs staff to ensure constant monitoring, and we should be given the opportunity to debate in good time before decisions are reached.

In addition to its flagrant breach of human rights when the EU made its agreement with China, we must also worry about the European Court of Justice, which we are fortunately escaping: a court whose judges' qualifications, tenure, perks and re-nomination rules would be unacceptable in this country as lacking judicial independence. A court that does not know the difference between gene editing and genetic modification, that keeps expenses secret and bans the Jewish and Muslim methods of killing animals, has capped its ignominy by sacking Eleanor Sharpston, an advocate-general of the court, one of the UK's most distinguished lawyers, whose post was not linked to her British nationality and whose contract should run until this October. She is going to the European Court of Human Rights about it. The point is that the European General Court ruled that a collective decision by member states was not subject to judicial review, meaning that the states of the EU could sack any judge and not be challenged. Fellow lawyers here should be protesting about this meltdown of judicial independence, as should all lawyers, and we must welcome the end of any control by such an improper court.

3.17 pm

Baroness Altmann (Con) [V]: My Lords, I too congratulate my noble friend Lord Wharton of Yarn and welcome him to this House. I welcome the fact that we have a trade and co-operation agreement with the EU, rather than leaving without a deal. I also note the words of the noble Lord, Lord King, that in the long run the economic damage of Brexit will not be huge, but my concerns about Brexit were never just economic. I have always expressed my concerns about the damage to peace and security, to culture, arts, music and the creative industries, to access to EU agencies, to educational and scientific co-operation, to the position of Northern Ireland and unity of the United Kingdom, and have consistently warned of the dangers of losing free trade, rather than enhancing it. That is exactly what this deal does, despite all these

concerns being dismissed as Project Fear. I hope my noble friend the Minister will confirm that all those elements have indeed been damaged by this agreement.

I would also like to ask my noble friend to confirm two issues. There is now a border in the Irish Sea, which is imposing enormous new burdens on Northern Ireland business, with one leading haulage firm saying that booking trailers on a boat used to take five minutes but now takes two people a whole day. And tariff-free trade still entails customs duties, which have been imposed on goods shipped by UK firms to the EU, forcing firms to choose whether to absorb extra charges, pay extra charges or relocate to the EU. The grave crisis in social care, an urgent solution to which was promised more than a year ago, is worsened by the new Immigration Rules post Brexit, as low-paid care staff can no longer come to this country freely.

I urge the Government to be straight with the British people, to explain truly what this deal means and the expectations that the Government now have for the long-term success of our wonderful country.

3.19 pm

Lord Greaves (LD) [V]: My Lords, we are where we are, and it is perhaps time to take an overview of things. The Minister who introduced this debate, rather a long time ago, said that it was going to be a new chapter for "global Britain", yet the trade deals that we have had so far are mainly no more than copy-and-paste jobs from existing EU agreements. The noble Lord, Lord Bridges of Headley, tried to give a better overview; he said it was a choice between paddling our own canoe and continuing in the EU's wake, and we must answer that question now. It seems to me that neither of those options is terribly attractive.

This is surely an opportunity to start to reset our economy and our trade. The first general point that I want to make is that we ought to have less trade. That is perhaps controversial, but the idea that our future rests with more and more trade with the other side of the world, whether with China, Singapore, east Asia or Japan, is undesirable. Flying food around the world to the extent that we do is environmentally undesirable. While I am about this, it is time that we stopped exporting waste from this country to the far side of Asia—south Asia and elsewhere—which is just a disgrace.

Secondly, I suggest that it is time to radically restructure our economy and move towards what people call a circular economy rather than one that uses vast amounts of resources and throws a lot of them away. It is time to take economics as a practical discipline away from sterile economic algorithms and put it at the service of people and the environment—what the economist Kate Raworth calls doughnut economics. It is time that we changed what we did and how we do it. This is an opportunity.

3.21 pm

Viscount Bridgeman (Con) [V]: My Lords, this debate has been a reminder, if ever one were needed, of the vast amount of work still to be done between the UK and the EU. It is essential that those further talks and negotiations start off on the right foot, and that, from

[VISCOUNT BRIDGEMAN]

the outset, both parties aim for the establishment of a genuine partnership between two sovereign bodies so that, for example, on the international stage they can on occasion speak with authority for Europe—and Europe, in this context, most definitely includes the United Kingdom.

I can foresee that, in the early stages of the post-Brexit era, this relationship could prove a shade delicate. On the EU side, there may well be a sense of frustration—or shall we say that in negotiations of this nature there has to be an acceptance that no one side is the outright winner? However, I suggest that it is for the United Kingdom side of the partnership that we hope will develop to take this initiative that extra mile beyond half way. My noble friend Lord Frost, with the Brexit achievement under his belt, and his team and their successors will be ideally placed to take the lead in furthering that partnership.

I suggest that one of the beneficiaries of this hopefully successful partnership will be NATO, which has had a rough time during the Trump presidency. This could not be a better time to acknowledge afresh NATO's strategic importance. This country has had its differences with France, but relations between the two militaries have always been surprisingly good. Our two nations are alone in Europe in having a serious military presence, and that is but one of many reasons why this new international order presents a great opportunity for NATO to re-establish itself.

3.23 pm

Baroness Goudie (Lab) [V]: My Lords, trade is of course hugely important. So too is co-operation, which is a two-way process. It is essential to have co-operation on trade and commercial considerations.

There are relevant factors that must be kept well in mind, including respecting human rights, maintaining workers' rights and acting in accordance with the Convention on the Elimination of Discrimination against Women, CEDAW. I trust that the Minister will confirm that the Government fully intend to implement this human rights convention, and of course after the passing of the new legislation on domestic abuse the Government are committed to signing the Istanbul convention. We must comply and expect all EU countries, such as Hungary, to comply as well, so that Britain continues to be a world leader on human rights.

It is also important to remember that supply chains bring in countries outside Europe where workers are not protected and are exploited. The UK has passed legislation in relation to modern slavery and has been leading the world on these issues. The former Prime Minister Theresa May and Members of both Houses are committed to the modern slavery legislation. Will the Minister confirm that laws will be respected in all negotiations and documented in all trade agreements between the UK and other countries?

3.25 pm

Lord Berkeley of Knighton (CB) [V]: My Lords, I declare my interests as listed in the register. United Kingdom musicians now face a mountain of red tape and extra costs, which threaten the future viability of working in the EU. This is on top of the effects of the

pandemic. On 30 December, the noble Lord, Lord True, who I really do feel understands these concerns, stated, and he repeated it this morning, that the Government pushed for a more ambitious agreement, which would have covered musicians, but that these proposals were rejected by the European Union. Can he perhaps explain the EU's justifications for rejecting this proposal?

The Government have provided financial support to UK fisheries of £100 million to address the impact of lost quotas, having left the EU. I love fish, but I value our cultural well-being still more. The fishing industry contributes £1.4 billion to the UK economy; compare it to the music industry, which is worth £5.8 billion. Will the Government consider providing similar financial support to mitigate the loss of work for touring musicians due to the lack of mobility provisions and additional red tape? What steps are the Government taking to ensure that the assurances made to musicians throughout the transition period will be met through further discussions with the EU? I hope that the Minister will undertake to keep us informed.

Musicians are now required to purchase carnets that cost in excess of £400, depending on the value of the goods, plus a costly security deposit. To help musicians to survive post Brexit, could the Government help to cover the costs of carnets or seek a cultural exemption for musical instruments, so that carnets or customs documentation are no longer needed?

3.27 pm

The Earl of Caithness (Con) [V]: My Lords, I voted against leaving the EU, but I accepted the result of the referendum and have moved on. I have been looking forward to this deal, which I welcome. However, I am saddened by much of the tone of this debate, which in my view has been overly negative. Many in the Liberal party are still looking backwards and many in the Labour Party say that this deal is better only than no deal, so why did they vote against Mrs May's deal when she was Prime Minister? Why did they allow the Conservative Party to corner Mrs May and then allow an election? They have only themselves to blame if they feel the way that they do.

Whatever deal was negotiated was bound to have a bumpy start, and this one is having that, as we have heard from the fishermen and from our farmers. There will be difficulties ahead, but I hope that my noble friend the Minister can reassure me that the Government are looking at all the effects on the market of the deal so far.

There are lots of questions I would like to ask about the level playing field and the flexibility of how it is to be incorporated. However, it is important that we look at the much bigger picture, as expressed by my noble friend Lord Bridges when he said that we must look for a strategic, long-term position and aim for that. That is a vital big task for the Government. As the noble Lord, Lord King of Lothbury, said, this is an ideal moment for the Government to start to focus on what is really important for our economy.

In the future, there can be no more excuses. We cannot blame Brussels for everything that goes wrong, or for our own inadequacies. We must look forward. We have the future in our own hands, and I believe that it is a very exciting one.

3.29 pm

Baroness Bennett of Manor Castle (GP) [V]: My Lords, I can only agree with my noble friend Lady Jones of Moulsecoomb, the noble Lord, Lord Henty, and many others that a stream of two-minute speeches in no way comprises scrutiny of the trade and co-operation agreement. This can be described only as a democratic travesty. It must also be noted that this is not Brexit done. So much remains to be settled that this is Brexit barely started, something I fear the public will find immensely frustrating in the weeks, months and years ahead.

However, to be concrete, and to attempt to be positive, one of the great tragedies of the TCA is the loss of the Erasmus programme, and there are concerns that much remains to be settled about the Horizon programme, but, rather than look back on what we have lost, I will look forward to what happens now, particularly with the Turing programme, which at the moment is little more than a label, even though it is supposed to start in September. As valuable as the outward part of Erasmus was, setting up so many students, particularly those from disadvantaged backgrounds, for their professional and personal lives, I will focus on the exchanges of academic staff and students: the partnerships that were so much part of Erasmus+, as well as the partnerships of businesses, apprentices and communities. I hope the Minister's response—or the Government in future action, given today's ludicrous time constraints—might show an understanding that this is what is needed in the Turing scheme.

More than that, given that the brilliant, international Oxford Real Farming Conference is going on right now—I was at a session today about sharing best practice among practitioner experts—I hope the Government will use the Turing scheme to include muddy boots on the ground knowledge to inform the implementation of our new food strategies and environmental land management schemes to bring to the UK, and to arrange visits from the UK to, small farmers and agroecological practitioners and to draw on traditional knowledge from the academics who help record it around the globe so that we can learn from it on these disastrously unhealthily fed, nature-depleted, ecologically sick islands.

3.31 pm

Baroness Morris of Bolton (Con) [V]: My Lords, it is a pleasure, almost four years after we first began debate on the famous Article 50 in your Lordships' House, to say a few words on the agreement reached between the United Kingdom and the European Union in the final days of 2020, an agreement that fulfilled our promise to the electorate and which, as my noble friend Lord Wharton of Yarm said in his splendid maiden speech, leaves us free to forge our own future. I thank my noble friend the Minister for his thoughtful opening to this debate.

The process of disentangling ourselves from the institutions of the EU after so many years was never going to be easy, but the job must have been made all the more difficult with every step being queried, challenged and second-guessed. I pay enormous tribute to the patience and negotiating skills of all those involved in

delivering this agreement. As one of the Prime Minister's trade envoys, I am privileged to witness on a regular basis the ingenuity and quality of our companies and institutions, and the professionalism and expertise of our trade officials. I believe that, whether we had achieved a trade deal or not, our companies would have adapted and flourished.

I far prefer that we have negotiated this unique deal with no tariffs or quotas, but, as we heard from my noble friend Lady Warsi, there is still much practical detail to be addressed. For me and, I suspect, most people, including our friends in the wider world, the test of a good Brexit deal was always going to be the kind of relationship we could build with our European friends and neighbours, especially in these frightening and testing times for us all. Last week at Second Reading of the European Union Bill, my noble friend Lord Maude of Horsham said that there is now an opportunity to take our relationship forward in a better spirit than when we were in the EU. I could not agree more, and I applaud my right honourable friend the Prime Minister for delivering a deal that does just that.

3.34 pm

Lord Kerr of Kinlochard (CB) [V]: When Donald Trump was elected in 2016, EU Foreign Ministers met to consider the implications. Given our inside track in Washington, they looked to us for a steer, but our Foreign Secretary did not turn up. He said that it would only be a “whingerama” and that President Trump would be just fine.

Previous Foreign Secretaries valued these meetings. Some dominated them—Carrington, Hurd, and, on his day, Robin Cook—but Mr Johnson did not. Perhaps that explains why this treaty contains no provision for political dialogue. Such a provision was on offer; it was in the 19 October joint declaration, which spoke of an association agreement for dialogue on foreign policy, security, defence and wider issues of co-operation. But Mr Johnson changed his mind and said that association agreements were for accession candidates—not true; Chile has one—and that an overarching treaty architecture would permit cross-sectoral sanctions, which is exactly what we have now, of course, in this treaty, minus the upside.

The institution set up by this treaty, the joint partnership council, and the innumerable committees listed by noble Lord, Lord Hain, and the noble Baroness, Lady Deech, deal only with the new trade rules, monitoring our compliance and tying up the loose ends. Crucially, these committees and the council exclude the 27. Across the table from us will be the Commission, not the member states. So we have no one to consult, nowhere to consult our neighbours on COP 26, pandemics, Russia, migration and terrorism, and no regular high-level meetings. Turkey, Norway and Iceland have them; we do not.

Of course the association agreement ship has sailed. I recognise that, but I worry that isolation in Europe may not prove splendid. So I urge the Government to pour no more concrete on their feet and to authorise early in-house thinking on how best to recreate the consultative network that most member states and all Foreign Secretaries but one have found useful since the first oil shock in 1973. I think that we will need—

Lord Parkinson of Whitley Bay (Con): My Lords, we are behind time, so I urge brevity from noble Lords. We will soon be eating into the time for the winding-up speeches.

3.36 pm

Lord Jones of Cheltenham (LD) [V]: My Lords, I will ask the Minister to answer some very simple questions about musicians wishing to tour in Europe, because the deal document is far from clear. A friend of mine, Robert Henrit, is a drummer who honed his technique in the 1960s and 1970s playing with many rock stars who became household names, including Cliff Richard, Adam Faith, Jimi Hendrix, the Kinks, Argent and Don McLean. He still performs today, more than 60 years since he first started playing the washboard.

Robert remembers what things were like touring Europe before we joined the then Common Market. In those days you never knew how long it would take to cross a national border. It all depended on the customs officials. Robert tells me that, if they did not like the look of you, they could take several hours, or sometimes a day or more, to process your passports and inspect the carnets specifying what equipment you were carrying. If they really did not like the look of you, they would unload your equipment and take it apart to make sure there was nothing inside not listed on the carnet. He recalls his precious drum equipment being unloaded into the snow on one occasion. On those occasions, once the customs officers were satisfied, you were free to go, but you had to reassemble your own equipment.

Once we joined the EU, everything was different. There were smiles, and the stars and their equipment were just waved through the border. Sometimes they stopped for a comfort break and to sign a few autographs. I and Robert would like to know how things will change now we have left the European Union. How much will a carnet really cost? What about insurance? What other costs will be imposed? Together, these could make touring economically unviable. Will there be a limit on how many countries bands can visit during a tour? Often a tour takes in several countries. Will touring be as easy as it was when we were in the EU, or will we be back in what Robert calls “fiasco land”?

3.39 pm

Lord Foulkes of Cumnock (Lab Co-op) [V]: My Lords, having expressed my support for the campaign to rejoin the European Union in our previous debate, today I will deal with just one matter: the role of the devolved Administrations. It is vital for the future of our United Kingdom that we get this right. In doing so, we must state clearly but firmly that negotiation of international treaties is now the responsibility of the United Kingdom Government but, when devolved areas are being discussed in these negotiations, the devolved Administrations must be involved meaningfully.

As part of the review of intergovernmental relations, we need a clear and unambiguous agreement. Ministers from the devolved Administrations should be involved in the appropriate meetings. A new memorandum of understanding must be agreed so that there is little or, preferably, no room for misunderstanding. Now is the

time to recognise the legitimate interests of the devolved Administrations and give them a real and effective role where appropriate, while reaffirming the central responsibility of the United Kingdom Government and this Parliament for the whole of the United Kingdom. Other countries, such as the USA and Germany, involve their states and their lander effectively, without challenging the integrity of the country as a whole. If we do not deal with this as a central and urgent part of the agreement, the future of our United Kingdom will be in jeopardy. I hope that the Minister can deal with this in his reply.

3.40 pm

Lord Lancaster of Kimbolton (Con) [V]: My Lords, I will focus on the two land borders that we now have with the EU through our overseas territories in Gibraltar and the often forgotten sovereign base areas in Cyprus. Both territories have enormous political and military strategic importance to the United Kingdom. I pay tribute to Fabian Picardo, the Chief Minister of Gibraltar. Having worked with him extensively as Minister for the Armed Forces throughout Brexit planning, I saw first-hand how his pragmatic leadership has done so much to reassure Gibraltarians and help to secure the temporary arrangement between the UK and Spain announced on New Year’s Eve.

The challenges of a hard border and a no-deal Brexit would have been particularly acute and worrying for Gibraltar, not least because the shortage of land means that even routine tasks such as disposing of waste would be a challenge. As we know, the initial four-year agreement allows Gibraltar to join the Schengen zone but results in Gibraltar’s port and airport becoming the external borders of the Schengen area, with Europe’s border agency, Frontex, present in Gibraltar. Already we are seeing Spain, as the sponsoring state, trying to leverage greater control. In an interview published on Saturday by Spanish newspaper *El País*, Foreign Minister Laya said that

“to be able to enter a Gibraltar which is integrated into the Schengen area, the responsibility for border controls will be in Spanish hands at the port and the airport”,

implying that Spain will decide who will or will not enter Gibraltar. Can the Minister confirm that this will not be the case?

In stark contrast to the political noise around the main talks in Brussels, low-key negotiations surrounding the sovereign base areas of Cyprus have resulted in a pragmatic and sensible way forward that honours previous treaties. The status of the SBAs under EU law was exceptional, in so much as the SBAs had a constitutional relationship with one member state, the UK, while sharing their boundaries with another. From the very start there has been an understanding that there should be an agreement that would secure the continuity of this exceptional regime. This wish has been reflected in the protocol on the SBAs attached to the UK’s withdrawal agreement, and I for one would like to place my thanks on record to those who have achieved it.

3.43 pm

Lord Krebs (CB) [V]: My Lords, the Prime Minister has told us that his Brexit deal will leave us “free to turbocharge our ambition to be a science superpower”.

Along with my fellow research scientists, I have been struggling to understand what this means, particularly in light of the fact that, as the Royal Society has reported, our decision to leave the European Union has already done serious damage to our science base in terms of attracting funding and young talent. Please can the Minister explain precisely how the deal will enhance, rather than diminish, our science base? Before the deal, I could participate fully in EU programmes and collaborate freely with scientists in all other countries in the world. In what way will things now get better?

The Prime Minister also referred specifically to enhancing our research in climate science, through participation in the Copernicus programme, for example. However, our bid to host Copernicus was deemed ineligible, and instead it will be based in Bonn. It is likely that the next major EU programme on climate science, Destination Earth, will also go to Bonn. We are losing, not enhancing, our expertise and reputation in climate science. As a result, one of our major research centres for climate and weather, the European Centre for Medium-Range Weather Forecasts, currently in Reading, may eventually leave the UK. Five other countries in Europe have produced highly professional short films to advertise their aim to host ECMWF. We have done nothing more than produce a tweet. Quite frankly, that is pathetic. Can the Minister explain how the Government intend to secure the future of the European Centre for Medium-Range Weather Forecasts in the United Kingdom?

3.45 pm

Lord Lansley (Con) [V]: My Lords, it is a pleasure to follow the noble Lord, Lord Krebs, and his focus on science as vital to our future is commendable. I am also pleased to welcome my noble friend Lord Wharton of Yarm. We look forward to his contributions, not least in promoting the interests of the north of England. I draw attention to my interests as recorded in the register.

In opening, the Minister said that the European Union (Future Relationship) Act 2020 enabled the provisional application of the deal. The agreement was signed on 30 December, it is implemented in our domestic legislation, and has been provisionally applied by both parties. But it has not yet been ratified. The European Union has allowed two months for the European Parliament to debate the agreement prior to ratification. This Parliament could have completed CRaG scrutiny in that time as well. But Section 36 of the future relationship Act disappplied CRaG parliamentary scrutiny of these agreements. This was not necessary and is highly regrettable. Listening to this debate has shown that there are many issues relating to implementation and unfinished business arising from these agreements. It tells me that our European affairs committee should none the less proceed with detailed scrutiny of the TCA and I call on the Government to co-operate fully in that, and to facilitate debate on such a report in parallel with the European Parliament.

I add one question of my own. Talking about integrated supply chains, the food and drink sector says that where EU-finished goods are brought to GB

hubs and then re-exported to the EU, the rules of origin mean they are subject to the EU's common external tariff. This is potentially very destructive and damaging to integrated supply chains. The sector thinks it was not intended on either side. Can the Minister say that it can be resolved?

3.47 pm

Lord Triesman (Lab) [V]: My Lords, while it is always a pleasure to follow the noble Lord, Lord Lansley, I cannot follow many of his colleagues in their sycophantic praise of the Prime Minister. Hagiographic comparisons between him and classical heroes are sad, not least because those making them know perfectly well that they are not true.

The negotiations were candidly amateur, as all professional negotiators know. We greatly overestimated the relative strength and size of our economies, and the negotiations were never balanced. We jumped the gun, starting talks before forming any clear position. We fought tenaciously to adopt positions in negotiation that we have no intention of adopting, at least according to the Government. We were confused, and we certainly confused others. We gave up our key card of trust—our attitude to Northern Ireland demonstrated us to be untrustworthy. We prioritised sovereignty, ill defined as it was, over economic objectives—the price apparently worth paying. The price is a totemic gesture to the Conservative Party, and I do mean totemic, because it was certainly never practical. They should know that economic harm inexorably follows, and leads to sovereign harm.

We were never strategic. Running down the clock, leaving no time to get things right, is not a strategic act of genius; it is self-harm. I describe it as amateur night. I make a positive suggestion: let us make sure that when we negotiate on 80% of our economy—financial services—we do not leave it to the amateurs. The FCA has told us that serious problems are coming across the horizon. Let us bring in the grown-ups: people of calibre such as Mark Carney, the noble Lord, Lord Myners, and Alistair Darling; people who do not need the glorification of comparisons with ancient Greek warriors. Let us do the job properly, not just strike the postures.

3.49 pm

Baroness Finn (Con) [V]: My Lords, I refer to my interest as a board member of the Cabinet Office, and I warmly congratulate my noble friend Lord Wharton of Yarm on an excellent and apposite maiden speech. This trade deal is surely a case of beating expectations, and enormous credit goes to my right honourable friend the Prime Minister and his negotiating team. A hugely significant breakthrough agreement over Northern Ireland paved the way for a trade deal that allows the UK to set our own laws and regulations, while delivering ongoing co-operation in key areas, such as health and security.

In fact, there is very little to object to in the trade deal. Of course, it is more what is not in it that is worthy of debate. A deal that does not go as far as some had hoped on services is necessarily limited, but this need not be limiting: opportunity lies where we

[BARONESS FINN]

can break new ground. Take financial services, for example: it is true that the EU has not yet granted the UK equivalence, which would ease market access—but, equally, this provides an opportunity to set our own rules, such as allowing pension funds to invest in infrastructure, an area where there has been chronic underinvestment.

To successfully go it alone, we will need to usher in a new era of leadership and accountability. This era demands a change in approach, across both Whitehall and Parliament. We can no longer blame the EU for having to implement unpalatable policies, or blame its bureaucracy when things do not go according to plan. Supporting business, rolling out the vaccine and setting our own immigration policy are now entirely in the hands of UK lawmakers, and, for all of them, we will be accountable to the British people.

However, to succeed, we need reform—to change our approach to the way we handle major strategic projects, the way we partner with business and the way we train and enable our domestic skills base. In our end is the beginning of a new relationship with Europe and a responsibility on us to make the most of our many opportunities.

3.51 pm

Lord Purvis of Tweed (LD): My Lords, on behalf of my colleagues, I also welcome the noble Lord, Lord Wharton of Yarm, to the House.

Until now, this country has never signed a “reverse” trade and partnership agreement, as the *Financial Times* put it today. Because of the unfinished businesses laid bare in the 15 joint declarations of intent, which still need to be fully implemented, by the time they are, the first review period will be approaching the agreement overall. Therefore, it is our duty to provide post-legislative scrutiny, and it was unacceptable for the Government’s Explanatory Note to the Act last week to state that it was not appropriate to do so.

In winding up that debate on the legislation, the Minister afforded himself one amusingly hyperbolic mention of my party, saying that it

“represents a clear and present danger to the national weal.”—[*Official Report*, 30/12/20; col. 1915.]

Hitherto unaware of the puissance of the malign influence of simply our scrutiny of government legislation, I thought the line was telling. The Minister felt that questioning and challenging the Government equated to denying and thwarting the will of the people; this is an intellectually lazy argument, but I do not deny that it has potency. It was used to good effect in 2019, and it will be north of the border in May. It is lazy because I have had it used against me by the SNP since it took office in 2007: question it and you somehow question your own country.

Incidentally, this Government use it inconsistently. Manifesto commitments are sacrosanct in this area, but other commitments, in their 2015, 2017 and 2019 manifestos, and the law on development support to the world’s poorest, can be jettisoned. The mandate from the will of the people is a pick-and-mix one for this Government, it seems.

In this agreement, how successful were the Government in delivering what they set out in their own negotiating objectives? They secured an ability for lawyers to practise in the EU, but not EU law. There is an agreement on electric vehicles in relation to rules of origin but just for five years, which is not long enough for investment planning, and the EU knows this. There has been great UK fanfare over the absence of EU court supervision over UK subsidies, but this was never in doubt because the EU never sought it. There is a small increase in quota for fishing but, as my noble friend Lord Teverson indicated, it is no surprise that fishing communities feel betrayed in the south-west and the north of Scotland.

The undeliverable red-line promises on the whole of the UK leaving on the same terms were discussed by the noble Lords, Lord Trimble and Lord Empey, and all those Peers who spoke in this debate literally from Northern Ireland, asking the Government to be honest that there is now a border within the United Kingdom. Reference to Gibraltar was well made; for the first time in three centuries, we could see Spain have the last word on who enters Gibraltar.

I did go through the negotiating objectives of May that the Government published and then looked at the agreement made in December—as in, what we sought and what we gave up. We gave up extensive trade facilitation areas. We gave up mutual recognition on conformity. We gave up on full sovereignty over our fishing waters. We gave up on demands for services in the agreement—this had been a red line for inclusion, which turned into a white flag—and, because we gave up on services, we have created a reverse incentive for providers to be based in the EU.

We gave up on adequacy on data, and we are awaiting their judgment and will be beholden to it. We gave up on securing mutual recognition of qualifications, as my noble friend Lord Shipley indicated. The surrender on this has been compounded, as we now know, by the fact that not only is there not mutual recognition between the UK and the EU but this is an area where we now need separate procedures in each of the 27 countries. We sought duty free and quota free across the board, but did not get it—not on processing, distribution or diagonal cumulation. Steve Rowe, chief executive of Marks & Spencer, said yesterday:

“Tariff free does not feel like tariff free when you read the fine print”.

As Professor Alan Winters indicated to the British Chambers of Commerce yesterday, we now have in Article 9.4 the rebalancing procedure—or, as he said, “dynamic alignment in disguise”. This approach, we remember, was such anathema to the Boris Johnson Administration compared to the May Administration. What that means is that the EU can unilaterally trigger trade restrictions straight away and then allow an appeal. He cited new forthcoming EU regulations in 2022 which will raise standards and, if they believe that their raising standards will mean that trade with us will be diminished, they can take rebalancing measures against us unilaterally, which we will then have to appeal.

It is not a new phenomenon that those who seek to use the concept of sovereignty to supersede the economic development of our own people also bring about

degrees of protectionism, either by tariff or non-tariff burdens. The new element, of course, is the approach to raise them with Europe but, at the same time, to say that they will reduce it for new markets elsewhere in the world. But this is not working, and it will not work. For example, during the six months to October, Italy became a larger exporter of goods to the United States than Britain for the first time since records began. In the six months to November, Germany and Italy on a combined basis exported \$6 billion more to China than in the same period—a 9% increase. Chinese imports from the UK fell by 18%.

If it is all going to be good from the Government's point of view, why do they not publish an impact assessment? The Minister said last week that there had not been time for it, but this surely cannot be the case. He wrote to me on 19 May, when I asked him what the Government's intentions were for an economic impact assessment of the conclusion of the European negotiations. To quote from his letter, he said that "a call for evidence will open in the coming months"—he wrote this in May—"and we will provide further details in due course. The call for evidence will capture the complexity and represent the varying impacts that will be felt across different parts of the economy."

I cannot find that call for evidence; I asked the Lords Library, which could not find it either. Could the Minister state what happened to that call for evidence for an economic impact assessment of this agreement? We need to know whether I am right—or independent academics or economists are right—in indicating that there will be pressure on the UK economy because of this agreement, or whether the assertions of the Government are correct that there will indeed be benefit. The Government need to publish an economic impact assessment to show which regions and sectors will be impacted, because we cannot shape our future economy, as the noble Lord, Lord Bridges, asked us to, if we do not know the impacts on it.

Finally, the Scottish concept of the common weal includes social justice as well as economic prosperity. We on these Benches love our country as much as anyone on the Government Benches, and we wish to see it prosper. In particular, we want to see our businesses export more, and we will campaign to cut costs for our businesses. We want to see more women entrepreneurs in the service sector, and we will campaign against the barriers that have been raised against them, as my noble friends Lord Oates and Lord Tyler and others indicated. We do not settle for a reverse trade and co-operation agreement, and we will work in the months and years ahead to make it positive. The Government's approach going forward is engaged in perhaps a relentless shift of moving our biggest trading partner to be our biggest trading competitor. But that is not inevitable, and we need to commence the work to reconnect the networks that we had done so well, as a free people, to build with our European partners.

4 pm

Lord Stevenson of Balmacara (Lab) [V]: My Lords, it seems a long time ago—indeed, it was a long time ago—but I thank the Minister for his original introduction, which was well balanced and got us off to a good start. This has been a rapid-fire debate and, like others,

I hope we can find a better way of debating big issues in future, otherwise we will seriously diminish the reputation of our House. Having said that, I thank all speakers—not just for participating today and for their interesting points, but for sticking to the time limits, which was incredible. I join others in welcoming the noble Lord, Lord Wharton of Yarm. I also thank the Library for its very helpful briefing notes on the debate.

The TCA is a complex and extensive agreement and, as others have pointed out, it has a large overhang. Issues such as data adequacy and the urgently needed memorandum on financial services still need to be resolved. There will be ongoing discussions through a partnership council, a plethora of specialist committees and bodies on issues arising, including the Northern Ireland protocol, and a joint parliamentary committee. The TCA provides provisions for a review of the deal every five years.

Every senior politician knows that one of the keys to their success is the ability to shut down debate on issues likely to harm them later. I take it from this debate that the great majority of those who have participated accept the need to draw a line over the recent past and move on, but I wonder whether this will be possible in practice. I suspect that we will be dealing with the aftermath of this deal for some time to come.

The main topics that have been raised today have centred on a few issues, to which I am sure the Minister will respond. We have heard a lot about the problems that have already emerged in the tariff-free and quota-free trade in goods. I look forward to his response to the issues raised on rules of origin and the worrying lack of a deal on diagonal cumulation, which will have a huge impact on manufacturing value chains. We need to hear more from the Minister on why services have largely been ignored and particularly why UK service suppliers will no longer benefit from country of origin principles, mutual recognition or passporting. The noble Lord, Lord Teverson, deserves a full response to his devastating analysis of the fisheries agreement.

Several noble Lords, including former Home Secretaries such as my noble friends Lord Blunkett and Lord Reid, raised law enforcement co-operation and particularly that the UK will lose access to the Schengen Information System and not be a member of Europol. I look forward to the Minister's response to that. Although it has not been given much attention today, the level playing field agreement includes certain provisions to prevent distortions to trade and investment—for example, through subsidies or reductions of labour or environmental standards. This is a live issue, as it features in amendments to the Trade Bill made this week. Can the Minister explain how this is going to operate in practice and if there will be a need to create new institutions? If so, will that require further changes to the Trade Bill?

It is interesting that the issues that were raised by noble Lords most often in this debate were the departure from the Erasmus+ programme and the inadequacies of the proposed Turing scheme; and, despite assurances given by Ministers, the failure to negotiate a procedure for our creative industry practitioners, particularly musicians and performers, and young entrepreneurs

[LORD STEVENSON OF BALMACARA]

to travel easily in the EU and vice versa. Blaming the EU does not ring true here and I hope that the Minister can give us some real hope that these matters will be resolved.

Finally, I end on the opportunity that some, including the noble Lords, Lord Bridges, Lord Birt and Lord Greaves, and the noble Earl, Lord Caithness, suggested we now have to focus on the future. There may not be agreement on where exactly it might lead us, but we surely can agree that, post pandemic, there is an opportunity to sort out some of the long-standing and apparently intractable problems we face as a country. My list includes using a green recovery to ensure further strengthening of the union, improving productivity, investing heavily in 5G and gigabit-enabled internet for all, improving transport linkages, combining health and social care, modernising the core curriculum, having proper regard for apprenticeships, improving housing standards, and better balancing the immigration policy. This will deal with some of the issues raised during this debate. As was observed by the noble Lord, Lord Holmes of Richmond, we are clearly at a turning point. We should work together as a country to ensure that this is a truly transformative experience.

4.04 pm

Lord True (Con): My Lords, this has been a very long debate. First, I congratulate my noble friend Lord Wharton of Yarm on his outstanding maiden speech, which set a good tone for us in terms of what I think should be constructive dialogue in future. I fear that, having heard the rest of the debate, he may understand why his Bill did not quite make the progress he had hoped for in this House.

I must say, this was not the most optimistic debate. I cannot change the minds of many noble Lords—I hope that action will do so—but I must reject the opening challenge from the noble Lord, Lord Oates: to apologise for saying that the British people voted for freedom from the constraints of the European Union. I do not apologise and I do not ask the British people to apologise for their decision. I suggest that the Liberal Democrats cease to challenge the decision of the British people with that kind of language.

The noble Lord, Lord Skidelsky, spoke of the owl of Minerva—a delightful, Hegelian image. The owl of Minerva was on the coins of ancient Athens, whose attempts to impose a customs union in the Aegean led, after glory, to catastrophe. One hopes that that will be avoided by all of us, in whatever part of Europe we live, for as long as the youngest among us live.

I offered us a challenge when the debate opened: I said that I was looking forward to hearing the wisdom of the House of Lords and ideas on how we could use the new freedoms we have gained. I fear that I heard very few constructive suggestions, but I accept that, in a typically intelligent intervention, the noble Lord, Lord Stevenson of Balmacara, set out a lot of areas where there would be grounds for agreement between us and the Opposition going forward.

My noble friend Lord Bridges was, I think, the first to ask, other than ensuring that our goods and services can flow to the EU and that our businesses can grow and prosper mightily, what more we can offer and

what the United Kingdom will be. The treaty is just the beginning of a new partnership in Europe that will build on common bonds of friendship and co-operation, but as sovereign equals with greater democratic autonomy. In future, the UK will remain distinctively open and global, working with our allies in Europe and around the world to leverage our unique assets, some of which were spoken about by the noble Lord, Lord Butler of Brockwell. We will act as a problem-solving and burden-sharing nation and as a force for good in the world, including for free trade.

The UK can now regulate in more innovative and effective ways which suit our economy and businesses, without being bound by EU rules. In any case, the EU and UK systems will naturally diverge over time. The Government have set out an ambitious domestic agenda, including on green matters and key areas such as environmental regulation and financial services, where the Government will aim to lead the global race to the top.

Many noble Lords spoke about goods moving between the UK and the EU and dwelt on the negative side—typically, I fear—including some of the problems that businesses face now that Britain has chosen to leave the single market and customs union. I emphasise that the agreement secured 100% tariff liberalisation, so there will be no tariffs on trade in UK and EU goods. That is worth emphasising because it is the first deal of this kind that the EU has ever signed.

The agreement includes modern and appropriate rules of origin, meaning that goods produced in either of our markets can qualify for zero-tariff trade. This will allow British manufacturers to use a significant level of input from abroad in British products where appropriate, such as sugar in confectionery or batteries in electric vehicles. We secured product-specific rules of origin that are tailored to the needs of UK businesses in, for example, the automotive, aluminium, chemicals, machinery and food and drink sectors, to which many noble Lords rightly paid attention. Importantly, the rules of origin prevent us having to accept from the EU imports at zero tariffs that are disproportionately produced elsewhere in the world.

In addition to what we agreed in the FTA, we have also agreed an administrative simplification to support businesses so that, throughout 2021, traders do not need supplier declarations from business suppliers to be in place when goods are exported.

We have always been clear that the future means that there will be new customs processes for goods headed from GB into the EU and vice versa, but the agreement will reduce the costs of these new processes for traders by supporting efficient customs arrangements covering all trade in goods while ensuring that customs authorities can protect their interests. We agreed to co-operate in facilitating trade at roll-on roll-off ports in particular and to recognise each other's authorised economic operator security and safety schemes from 1 January.

The agreement also supports co-operation and mutual assistance between the UK and the EU on customs and VAT, including assistance in recovery of indirect taxes. This will help us to enforce our borders efficiently, to safeguard revenue and to combat fraud.

It is clear that unnecessary technical barriers to trade can increase costs for exporters through additional administrative costs and regulatory hurdles. The agreement features wide-ranging provisions on technical barriers to trade that seek to facilitate trade by avoiding unnecessary regulatory barriers between the two parties. This is supported by five sectoral annexes with dedicated provisions for growth sectors: automotive, pharmaceuticals, chemicals, organic products and wine.

The agreement also ensures that the UK and the EU can maintain fully independent SPS rules to protect human, animal and plant life and health, preserving our right to regulate independently. It includes measures—referred to by more than one noble Lord—to facilitate efficient management of disease, pest and food safety incidents; to co-operate on the fight against antimicrobial resistance and protect animal welfare; and to identify potential to facilitate trade further without compromising biosecurity.

My noble friend Lord Taylor of Holbeach raised important points about the horticultural industry, in which his family is so renowned. Frictionless trade would require regulatory alignment with the European Union, which would undermine not only our regulatory autonomy but our sovereignty as an independent trading nation. We have put in place a framework to agree to trade facilitations going forward, including on SPS and including potential reductions in the frequency of import checks. It is in both parties' interests to pursue that. We continue to work closely with traders on our implementing processes to ensure that exporters understand the requirements they need to meet to continue trading with the EU. I can say to my noble friend that that includes an understanding of the issues of the horticultural industry.

The noble Baroness, Lady Bakewell of Hardington Mandeville, asked about geographical indications. There was not a section on geographical indications in the intellectual property chapter. Instead, we included a review clause which allows us to agree rules on protection of GIs in future, should we so wish. The UK retains full autonomy over its GIs regime.

I was asked whether lamb produced by hill farmers would be specifically included in the zero-tariff category. The deal maintains zero tariffs and zero quotas on trade in goods between the UK and the EU—I say again that it is the first time that the EU has ever agreed to complete tariff and quota-free access in an FTA. I am sure that Parisian restaurateurs, after Covid, will be delighted that Welsh lamb is still coming their way.

I was asked about delays to fish exports. We believe that no vehicles are being held at this time, but we are monitoring the situation and I can assure the House that we will continue to do so. We have had extensive engagement with the industry during the past two years to help it prepare for the new processes that it will need to follow. On the UK side of the border, now that Operation Brock has been activated, we will prioritise fish to ensure that it reaches Dover quickly.

So far as certification is concerned, we are indeed seeking to make more vets available, but checks are more usually made by local authorities. The Government

have recently offered £1 million and more to local authorities to increase capacity and assist certification of fish products.

We are not currently seeing significant disruption at the border, although there are incidents caused by the end of the transition period. It is of course early days and, as is normally the case during the first days of January, volumes of traffic have been low. However, I assure the House that the Government remain vigilant on the situation on a 24/7 basis. We have a new high-tech border operations centre, which is operating 24/7, and we are working closely with local resilience forums. The most significant issue that we are currently facing at the short-strait border is the requirement for all people crossing into France, including freight drivers, to have been tested for Covid. Our priority is to communicate the message that hauliers should be tested.

My noble friend Lord Holmes of Richmond and the noble Viscount, Lord Waverley, in very constructive speeches, referred to the opportunities arising from the move to create the world's most effective border for the UK. The *2025 UK Border Strategy*, published on 17 December 2020, sets that out. Certainly, technology and data analytics have the potential to greatly improve the operation of the border.

On Northern Ireland, the noble Lord, Lord Empey—quite rightly perhaps—took me to task on my opening speech. Of course I acknowledge the particular circumstances of Northern Ireland. I assure noble Lords that the flow of goods under the Northern Ireland protocol is smooth overall and that there are no significant queues at NI ports. Where there are individual issues, they are being quickly addressed by DAERA and HMRC. Traders are widely taking up the trader support service.

The grace periods for businesses are in operation and are generally working well. This applies to supermarkets and their suppliers. As a result, the overwhelming majority of parcels continue to move smoothly between GB and NI. I state very firmly that there is no reason for businesses not to continue to send such goods to Northern Ireland. We are aware of issues that hauliers have experienced in transiting Dublin Port and, as referred to in the context of Welsh ports, we are engaging with the Irish authorities and the Northern Ireland Executive on this issue.

A large number of noble Lords spoke about services. The agreement secures continued market access across a broad range of key sectors, including professional and business services, and significantly exceeds what is available under WTO rules. We ensured that the services covered by this agreement are, at a minimum, in line with both sides' best offer to date in similar agreements such as those with Canada and Japan. That includes unprecedented provisions on legal services and creates additional certainty and clarity. There are specific issues relating to patents, raised by the noble Lord, Lord Bassam of Brighton, and IPO and MoJ officials have agreed to discuss concerns with the sector.

On green cards, mentioned by the noble Lord, Lord Hunt, we will certainly need those.

I welcome the wise comments of my noble friends Lord Sharpe of Epsom, Lord Risby and Lord Griffiths, the noble Lords, Lord Butler of Brockwell and Lord King

[LORD TRUE]

of Lothbury, and others about financial services. Financial services are, and will remain, a key strength of the United Kingdom and the agreement ensures that our regulatory authorities can effectively supervise the financial services industry based on values of openness, stability and transparency. We aim to reach agreement on the memorandum of understanding by March 2021 to establish a framework for co-operation, but I endorse the comments of the noble Lord, Lord Butler of Brockwell, on these matters.

On data adequacy, I repeat what I said to the House last week: we do not expect the bridging mechanism to have to last for more than six months, and we hope that matters will be concluded sooner.

I have only a minute left, regrettably, but I should refer to musicians and the creative industries, to which the Government attach the greatest importance. In negotiations with the EU on business travel, we proposed to expand the list of permitted activities for short-term business visitors, notably to include work done by artists, entertainers and musicians, and supporting staff. This would have ensured that musicians could have travelled to the EU without work permits. However, the EU rejected this, considering that touring musicians

were providing a service directly to consumers, rather than performing a business visit. We did point out that there are other types of short-term businesses that provide direct services, but the EU did not alter its position. Considering the EU's refusal to consider our proposals, it seems unlikely that it will want to reopen the subject so soon after negotiations have concluded. However, there is a review clause on the list of permitted activities, and I can assure the House that the Government will continue to give the highest priority to this important sector.

I have run out of time to address matters of security. Civil servants right across Whitehall, given the breadth of the debate we have had, have been dreading the words I am about to utter, but given the literally scores of questions that noble Lords rightly asked, I will attempt to ensure that a comprehensive letter is produced and placed in the Library of the House.

I believe that the agreement presents a great opportunity for a future global Britain. I thank all noble Lords who took part in the debate—even if, at times, I was a little disappointed in its tone.

Motion agreed.

House adjourned at 4.21 pm.