

# My intervention in the Advanced Research and Invention Agency Bill debate

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** In that connection, could the [Minister](#) give the House some brief guidance on what he, as the accountable Minister, would expect by way of discussion and influence over corporate plans and budgets and onward reporting to the House?

**George Freeman (Parliamentary Under-Secretary, Department for Business, Energy and Industrial Strategy):** I am grateful to my right hon. Friend for that question, and he will not be surprised to know that it is one I have also been asking since coming to this role. The point of [ARIA](#) is to be a new agency for doing new science in new ways, and it has been structured specifically to avoid meddling Ministers, even those with a good idea, and meddling officials, even those with good intent, and to create an agency that is free.

My right hon. Friend asks an important question. As we appoint the chief executive officer and the chair, the framework agreement will set out, a bit like a subscription agreement, the agency's operating parameters, which will be published in due course. Each year ARIA will have to report on its stated plans. Crucially, as is so often not the case in scientific endeavour, ARIA will report where happy failure has occurred so that we do not continue to pour more money into scientific programmes that have not succeeded, which I know will reassure him. We want ARIA to be free to be honest about that, and not embarrassed. ARIA will be annually accountable through the framework agreement.

Finally, Lords [amendment](#) 1 deals with the conditions that ARIA may attach to its financial support. This arises from a series of important discussions in the [other place](#) relating to ARIA's duty to commercialise [intellectual property](#) that may be generated, which I am keen to address properly. However, the amendment, as drafted, does not actually prevent ARIA from doing anything; it adds examples of conditions that ARIA may attach to financial support, but ARIA already has the general power to do just that. Legally, the amendment simply represents a drafting change. As such, we cannot accept it, but we understand and acknowledge the importance of the point that the noble [Lord Browne](#) had in mind.

It is our firm belief that, although it is not appropriate at this stage to specify ARIA's contracting and granting arrangements in legislation, we recognise the substance of the concerns underlying the amendment: namely, that ARIA should have a duty to the taxpayer to ensure it is not haemorrhaging intellectual property of value to the UK. I will outline our position on that.

The amendment focuses principally on overseas acquisition of [IP](#) relating to

the principles on which the Government intervene in foreign takeovers of UK businesses, particularly where those businesses have benefited from public investment in research and development activities. The [National Security and Investment Act 2021](#), which fully commenced earlier this month, provides just such a framework, and it marks the biggest upgrade of investment screening in the UK for 20 years.

The [NSI](#) Act covers relevant sectors, such as quantum technologies and synthetic biology, that have benefited from significant public investment, and it permits the Government to scrutinise acquisitions on national security grounds. This new investment screening regime supports the UK's world-leading reputation as an attractive place to invest, and it has been debated extensively in both Houses very recently. We do not believe that revisiting those debates today would be productive.

Although the NSI Act provides a statutory framework, a much broader strand of work is under way. As Science [Minister](#), I take very seriously the security of our academic and research community. A number of measures have been taken in the past few months and years to strengthen our protections. We are working closely with the sector to help it identify and address risks from overseas collaborations, while supporting academic freedom of thought and institutional independence.

Members do not need me to tell them that intellectual property is incredibly valuable and we increasingly face both sovereign and industrial espionage. It is important that we are able to support our universities to be aware of those risks and to avoid them. The Bill already provides the [Secretary of State](#) with a broad power of direction over ARIA on issues of national security, which provides a strong mechanism to intervene in its activities in the unlikely event it is necessary to do so.

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## [What progress can be made on better air extraction, air cleaning and ultraviolet filtration in hospitals?](#)

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** I welcome the change of policy. In order to reassure both patients and staff about safety, what progress can the [Secretary of State](#) report to the House on better air extraction, air cleaning and ultraviolet filtration? I think that we need to control the virus without telling people exactly what they have to do in their own health treatments.

**Sajid Javid (Secretary of State for Health and Social Care):** As always, my right hon. Friend has asked a very good question. He will know that infection protection control measures have been in place during the pandemic; they

change along with the pandemic over time, depending on the risk profile, and that applies to care settings. The Government have supported care homes with hundreds of millions of pounds to make adaptations and changes and to implement these measures, and I know that many care settings have taken advantage of those funds to provide, for instance, air filtration and ventilation. That is the kind of support that the Government will continue to give.

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## **The Business department loves imports**

BEIS stands for the Department for Business, energy and industrial strategy. I wonder if it has quietly been repurposed as the Department for Blocking Enterprise and for Import Success.

Its Energy desk is turns down or delays new oil and gas field developments at home. It prefers the UK to import LNG from around the world, creating more CO<sub>2</sub> when that is burned than if it had allowed us to produce more natural gas from the North Sea. It has set out a so called transition plan which is a plan to run down our own domestic gas and oil industry whilst we will still be needing those products from elsewhere.

Its industry desk is busy imposing high carbon taxes on all our businesses that need to burn gas to transform materials with heat as well as encouraging higher prices for fossil fuels by limiting domestic supply. Our steel, ceramics, glass and similar industries are struggling to keep open against cheaper foreign competition which does not face such high energy prices.

Our steel industry needs specialist coal for its furnaces. The department blocks a potential UK mine that could supply them, again forcing imports. Our steel industry almost halved under the last Labour government from 18.5 m tonnes to 9.7 million tonnes by 2010 is now around just 7 million tonnes. We import much of what we need.

Our aluminium industry has been reduced to just one main smelter of ore running on Scottish hydro power. The Anglesey and Lynemouth smelters are long gone with no plans to rebuild our ability to make this essential metal thanks to energy prices and availability. Our petrochemical industry has been slimmed as the availability of domestic feedstock has reduced.

Isn't it time for a rethink? You do not save the planet by outsourcing most of the high energy and gas using products you need. You transfer the CO<sub>2</sub> production elsewhere and with it the jobs, added value and security of supply we need at home. If the government wants to level up it should grasp the importance of ceramics to the Potteries, of steel to Sheffield, of chemicals to Merseyside, of oil and gas to Aberdeen and many other locations for all of the above.

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## The mantle of Margaret Thatcher

The Chancellor was seeking the mantle of Thatcher in his joint article with the PM yesterday in the Sunday Times. He claimed to be a low tax Conservative, but also a supporter of sound money which he attributed to her. He also says he wants "lighter, better, simpler regulation". So what does the track record show?

So far the Chancellor has hiked taxes on entrepreneurs and the self employed through IR35. He has raised National Insurance, frozen Income tax allowances and put in a huge future increase in Corporation tax. He seems keen to ensure we collect less in tax than he would by setting competitive rates. Margaret Thatcher and her Chancellors cut Income tax rates substantially, cut Corporation tax, made it easier for the self employed and for entrepreneurs. As a result revenues surged, the rich paid more tax and paid a bigger share of the tax, and substantial increases were made in the NHS budgets from the extra revenue.

So far the Chancellor has approved huge increases in money printing proposed by the Bank of England but needing his consent, which have now brought on a sharp rise in inflation. I strongly supported the early pandemic related money boost, but called for it to end last year when the Bank carried it on well into recovery. Margaret Thatcher battled for honest money and brought inflation down from the high levels under Labour. Towards the end she was forced by her Chancellor and Foreign Secretary to take the UK into the European Exchange Rate Mechanism, against her instincts and my advice. That led to a surge in money and credit creation by the commercial banks and to a nasty bout of inflation. This was followed by the inevitable bust under John Major who took her job and the then unhelpful economic inheritance he had created. This ended the Conservative reputation for economic competence for a good few years.

I look forward to the plan to have better and lighter regulation. More than a year into Brexit there has still been no Bill to change the main huge body of EU regulatory law which we rolled over as a temporary measure. The Chancellor would say he has streamlined alcohol duties a bit. The ones that have gone up are not popular, but it is a minor set of adjustments so far. We await the promised Freeports and trust they will have some good freedoms in them. Why not one for Northern Ireland?

The Opposition still regards the Thatcherite label as a term of abuse. The Chancellor seems to regard it as a plus, but has misunderstood the nature of Margaret's policies compared to his own. His approach to tax is the opposite of hers.

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## The eerily quiet collapse of the UK car industry

During the referendum on the EU the car industry and its Remain supporters were full of fears that if we left the EU without a free trade deal with them the 10% tariff the EU would impose on our car exports would do grave damage to our industry. They did not accept that a zero tariff deal was likely, though one was finalised in the end. Nor did they accept that if there were 10% EU tariffs we could have imposed the same on their cars and made more of our cars at home, substituting them for the dearer continental imports. Out of the EU we are also free to take tariffs down on components needed from abroad to lower our total costs of production. I did not see anyone suggest output of our industry might halve if we ended up with some EU tariffs.

The passion behind these fears makes the lack of noise about the collapse of car output since 2016 more surprising. The near halving of output in the last five years has nothing to do with Brexit. We can all agree the pandemic measures dented output badly in 2020 and may have had some lingering effects on 2021. Last year we only made 859,000 cars in the UK. We can agree that the worldwide shortage of microprocessors has impeded production in the last year, as the car industry failed to secure enough supply at a time of maximum competition from the digital revolution companies needing more chips for their successful products. Apple's gain was BMW's loss. What seems more contentious is the impact of the race to net zero on the domestic industry which most of the insiders seem unwilling to talk about, let alone cite as an important cause of the decline.

In the last couple of years there has been a collapse in purchases of new diesel cars, and a decline in new petrol cars as a result of governments in advanced countries especially the UK telling people not to buy them. Advanced countries have been discussing how quickly they can end their production altogether and making it clear to customers they wish to become increasingly hostile to the use of internal combustion engine vehicles. The UK has proposed 2030 as the cut off date. The Treasury has also added its contribution to car output decline with a substantial increase in the cost of VED for a new dearer car. The diesel hit has been particularly tough on the UK industry. With government encouragement not so long ago the UK had become an important world centre for diesel technology development and for engine manufacture. Ford for example moved its car assembly out of the UK but built a lot of engines here.

Tesla has turned out to be the winner so far in the expensive end electric vehicles. Tesla makes no cars in the UK. The UK based brands have been slower to compete, and the UK is struggling to catch up with battery production investment, essential if the UK is to be a serious producer of electric vehicles. Maybe it is time to assess the progress of these policies, and to

ask how much more damage there is likely to be to an industry which used to make twice as many cars here.