



HOUSE OF LORDS

Liaison Committee

3rd Report of Session 2010–12

**Review of select committee
activity and proposals for
new committee activity**

Report

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The Liaison Committee

The Liaison Committee advises the House on the resources required for select committee work and allocates resources between select committees; reviews the select committee work of the House; considers requests for *ad hoc* committees and reports to the House with recommendations; ensures effective co-ordination between the two Houses; and considers the availability of Lords to serve on committees.

Current Membership

The Members of the Liaison Committee are:

Lord Brabazon of Tara (Chairman)

Lord Alderdice

Lord Campbell-Savours

Baroness Corston

Lord Fellowes

Lord Laming

Lord McNally

Baroness Perry of Southwark

Baroness Royall of Blaisdon

Lord Strathclyde

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Declaration of Interests

A full list of Members' interests can be found in the Register of Lords' Interests:

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General Information

General information about the House of Lords and its Committees is on the internet at

<http://www.parliament.uk/business/committees/>

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Third Report from the Liaison Committee

REVIEW OF SELECT COMMITTEE ACTIVITY

Introduction

1. Select Committee activity is rightly highly regarded both within the House and outside, and contributes greatly to the House of Lords' reputation as a second Chamber. However, there is scope to do more to ensure that the committees for which we provide resources are those that make best use of the expertise of members and whose reports contribute the most to the national debate. The Report of the Leader's Group's on Working Practices¹ now presents us with a valuable opportunity to refocus the committee work of the House, refresh and rebalance the range of subjects that are scrutinised, and in doing so engage a wider range of members in the House's work.
2. In this report we:
 - review the existing select committee activity of the House;
 - recommend an additional unit of committee activity;
 - subject to the redeployment of resources to support further new select committees, recommend the appointment of two new ad hoc select committees appointed for a fixed term of up to one session to conduct a specific inquiry into a cross-cutting area of domestic policy; and
 - recommend the appointment of an ad hoc select committee to carry out post-legislative scrutiny of a specific set of Acts.

Apart from the additional unit of committee activity which we recommend, our recommendations for new committees are conditional on the House's agreement to the redeployment of resources we propose.

Existing scrutiny Committees

3. Since the establishment of the European Communities Committee in the mid-1970s, House of Lords Select Committees have developed into a major feature of the work of the House. They perform the dual function of contributing to the House's scrutiny of Government and providing a forum for public debate and inquiry. Unlike those in the House of Commons, House of Lords select committees do not shadow the work of government departments. For the most part, their investigations look into cross-cutting subjects, taking advantage of the experience of members of the House.
4. There are currently four major House of Lords investigative Select Committees:
 - the European Union Committee
 - the Science and Technology Committee

¹ Session 2010-12 (HL Paper 136).

- the Economic Affairs Committee
- the Communications Committee

In this report we have reviewed the work of those committees.

5. In addition, three important Committees focus on scrutiny of legislation. These are the Delegated Powers and Regulatory Reform Committee, the Merits of Statutory Instruments Committee and the Joint Committee on Statutory Instruments. The Joint Committee on Human Rights and the Constitution Committee also combine investigative and scrutiny functions. All five Committees contribute greatly to the scrutiny of legislation on and off the floor of the House. Like the Constitution Committee, the European Union, Science and Technology and Economic Affairs Committees are sessional committees, so called because under Standing Order 64 their orders of appointment remain in force from one Session to the next throughout a Parliament until the House orders otherwise. The Communications Committee has been appointed each Session; and in addition *ad hoc* committees are appointed to undertake a particular inquiry and to report thereon to the House.
6. A sessional Joint Committee on the National Security Strategy was first appointed in 2010.²

The Leader's Group on Working Practices

7. In April 2011 the Leader's Group on Working Practices, chaired by Lord Goodlad, reported. Recommendations 45 and 46 of the Leader's Group report (paragraphs 236 and 237) were as follows:

“45. We recommend that the House establish two additional sessional select committees, with the intention of enhancing its capacity to scrutinise Government policy. In determining the remit of these committees, we recommend that particular regard be paid to the need for Lords committees to:

- Make best use of the knowledge and experience of Members of the House;
- Complement the work of Commons departmental select committees;
- Address areas of policy that cross departmental boundaries.

46. We recommend that in future the work of all investigative select committees of the House should be subject to regular and systematic review, and that, following the appointment of the two additional committees recommended above, any further sessional committees should only be appointed to replace existing committees, without creating extra demands on resources.”

The Group concluded (paragraph 232) that “it is time for a thorough review of [the House's] committee work.”

Our Review

8. We have accordingly reviewed existing committee activity in the light of the Leader's Group report. In so doing, we have borne in mind our conclusions

² CJ (2009-10) 133; Lords Minutes of Proceedings, 1 February 2010.

in our First Report of this Session,³ to which the House agreed, that the principles which we should apply in considering proposals for committee activity should be:

- (a) House of Lords committees should generally seek to complement rather than duplicate the areas of scrutiny of House of Commons committees and other Lords committees;
- (b) we will continue to support the appointment of one *ad hoc* committee at any one time, though there is a case for *ad hoc* committees with narrower and more topical remits conducting shorter inquiries;
- (c) new committees should be appointed for a limited time only;
- (d) we will continue to keep resource requirements closely under review to ensure that committee work provides value for money, and can be supported by members;
- (e) in assessing proposed or existing committees we will consider whether the committee activity in question represents a productive use of the resources of the House and the administration and, where there is a need to prioritise between two or more alternatives, whether it represents a more productive use than the others in existence or proposed;
- (f) we will continue to seek to evaluate potential impact when considering new proposals for committees, or reviewing existing activity.

Appointment of new committees

9. We remain of the view that the best way of ensuring that committees reflect the changing priorities of the House and engage the full range of its membership is to appoint them on a time-limited basis, to conduct a specific inquiry with a membership tailored to that task.
10. We share the view of the Leader's Group that new committees should make best use of the knowledge and experience of members of the House, but believe that this objective is best achieved if new committees are appointed for a fixed term of a maximum of one session, to conduct a specific inquiry. Indeed for some subjects less than one session will be needed, as is already the case with pre-legislative scrutiny Committees, which typically sit for a few months only, and cease to exist once they have reported. Regular turnover of members gives a wider range of members the opportunity to serve, and short, sharp inquiries should also make it easier for members with significant commitments outside the House to participate.
11. **We recommend that new investigative select committees should be appointed for a fixed term of up to one Session to conduct a specific inquiry. It would of course remain open to committees appointed on this basis to bid for re-appointment at the end of their term.**
12. Fixed terms would also allow us to play a more active role in reviewing and adapting the select committee activity of the House in future, thereby addressing the Leader's Group's recommendation that the House's select

³ HL Paper 136, session 2010-12; HL Deb 16 June 2010, col 983.

committee activity should be kept under regular review. The resources to support new select committee activity would be released at the end of each Session, giving this Committee more room to accommodate bids for new select committees submitted by members of the House in the course of the Session. Bids for re-appointment by existing committees could then be considered against this backdrop. The two new ad hoc committees we are recommending in this report derive from proposals by members of the House. One, on SMEs, is based directly on a proposal from Lord Popat and other members (see Appendix 1). The other, on public services, stems in part from a proposal which was initially canvassed in the Report of the Leader's Group on Working Practices and subsequently elaborated in a note by Lord Richard and others circulated generally. We remind members of the House that they may submit proposals for new ad hoc committees to the Chairman of the Liaison Committee at any time. We would particularly welcome proposals from members of the House towards the end of next Session, to inform our deliberations as we prepare to make recommendations to the House on the appointment of new ad hoc committees for the 2013–14 Session.

13. In our First Report we estimated the additional marginal cost of a new unit of committee activity as £225,000. Clearly some committees are less expensive to run than others, and it might be helpful to note that a new committee requiring substantial legal advice would cost significantly more than this. **We recommend an additional unit of committee activity and have sought and obtained the approval of the House Committee to this additional expenditure** at its meeting on 28 February. In recognition of the current financial constraints, our discussions of further additional Committee activity were predicated on the diversion of some of the existing Committee resources, principally staff costs, to new Committees.
14. We accordingly considered the scope and activity of current committees.

European Union Committee

15. The sub-committee activity of the European Union Committee, which currently appoints 7 sub-committees to complement the work of the main Select Committee, absorbs a considerable proportion of the committee resources of the House, and we are grateful to the Chairman of the Committee, Lord Roper, for his letter about the work of the Committee, printed in Appendix 2. We have concluded that while the European Union Committee should remain the main focus of House of Lords committee scrutiny, it would now be appropriate to diversify some of the resources allocated to it to support new committee activity in other areas.
16. We accordingly discussed with Lord Roper whether the Committee might work through fewer sub-committees, in order to free up resources for new committee activity. In the light of that discussion **we recommend that from the start of the 2012–13 Session the number of sub-committees of the European Union Committee should be reduced from seven to six. The European Union Committee should reapportion responsibilities for policy areas between its remaining Sub-Committees as it sees fit. We also recommend in paragraph 43 that the size of European Union Sub-Committees should be increased from 12 to 14 members.**

Science and Technology Committee

17. In our First Report we said that in the event of further demands for committee work requiring redeployment of committee resources we would in the first instance look towards retrenchment of the Science and Technology Committee. We accordingly discussed with the Chairman of that Committee, Lord Krebs, whether, with effect from next Session, the Committee should be allocated the resources of a single Select Committee. Lord Krebs also provided us with a helpful letter, printed in Appendix 3.
18. **We have concluded that from the start of the 2012–13 Session the Science and Technology Committee should be allocated the resources of a single select committee. The Committee should retain the power to appoint a sub-committee, and the power to co-opt additional members for particular inquiries, but those powers should not be exercised in such a way as to increase the workload of the Committee beyond that of a single committee unit.**

Economic Affairs Committee

19. The Economic Affairs Committee (EAC) has proved an effective Committee and we recommend that it should continue on a sessional basis.
20. Since 2002 the EAC has had the power to appoint a sub-committee (the Finance Bill Sub-Committee, or FBSC) to consider so much of the Finance Bill as relates to technical issues of administration, clarification and simplification but not the incidence or rates of tax. The FBSC reports before the Report Stage of the Bill in the Commons, to enable members of that House, if they so wish, to draw on its recommendations in moving amendments to the Bill. The FBSC's report also informs the Second Reading debate on the Bill in this House.
21. In 2010 the Government launched a new approach to tax policy-making, including publication of consultation papers over the summer and a draft Finance Bill in December before the Budget and Finance Bill in March. When the FBSC began its inquiry in April 2011, witnesses pointed out that the FBSC's late start made its scrutiny of the new policy-making cycle less effective, and it was suggested that the FBSC might meet earlier each year in order to consider the draft Bill.
22. The EAC has accordingly made the case to us for the FBSC to scrutinise the draft Finance Bill. We discussed this proposal with the Chairman of the Committee, Lord MacGregor of Pulham Market, who assured us that the EAC and FBSC would continue to respect Commons financial privilege and that no additional resource would be required. No change in terms of reference is needed to enable this to happen.
23. **We recommend that the Economic Affairs Committee should continue to support its Finance Bill sub-committee from within the existing resources of the main Committee, and should carry out the same work and function as at present. In the light of the new approach to tax policy-making adopted by the Government we agree that the Committee should be able to appoint that Sub-Committee at an earlier point in the year in order to scrutinise the draft Finance Bill.**

Communications Committee

24. We have already noted that the Communications Committee is not a sessional committee, and we agreed in our First Report of this session that it should not become one. We are grateful to Lord Inglewood, the Chairman of the Committee, for his letter about the Committee's work, printed in Appendix 4. We discussed with Lord Inglewood, whether, with effect from next Session the Committee should be re-appointed as an ad hoc committee, to conduct a specific inquiry or inquiries. We decided not to recommend this change, and concluded that the committee should continue its work at this time, in the light of the current significant and fast-moving developments in the media and the creative industries.
25. **We recommend that the Communications Committee should be re-appointed on the same basis as at present at the start of the 2012–13 Session. We will review the question of its further re-appointment towards the end of that Session.**

PROPOSALS FOR NEW COMMITTEE ACTIVITY

Pre-legislative committees in Session 2012–13

26. The Leader of the House has written to us confirming that both he and the Leader of the House of Commons are strongly committed to pre-legislative scrutiny and its value, and that the Government intend to publish a number of measures for such scrutiny in the course of Session 2012–13 (Appendix 5). The letter also confirmed the Government's intention to publish a draft Parliamentary Privilege Bill, whilst making clear that that did not necessarily mean that that draft bill would be the first to be put forward for pre-legislative scrutiny next Session.
27. We remain committed to supporting the work of pre-legislative committees, and thus welcome the Leader's letter. The experience of recent Sessions has demonstrated the important role such committees can play in engaging a wider audience in the scrutiny of legislation than is possible on the floor of the House, and in assisting policy formulation. The staff resource currently provided for supporting pre-legislative committees enables the House to administer one such unit of activity at any one time.
28. In the light of the importance of this work we believe that some of the resources which would be freed up by the reduction in sub-committee activity we have proposed above should be re-allocated to support pre-legislative scrutiny. **We therefore recommend that the House should plan on the basis of supporting an additional pre-legislative scrutiny committee.**

Public Services Committee

29. The Committee considered a proposal for a Public Services Committee, as canvassed in the Leader's Group report and subsequently elaborated in a note circulated generally by Lord Bichard and others.
30. This is a wide ranging and cross cutting policy area which is clearly of profound public policy significance. Public services are vital to UK society and consume a high proportion of public expenditure. There are, however, significant challenges to be met in terms of affordability and priorities, particularly in the light of demographic changes, most notably higher life expectancy.
31. Although we are conscious that the House of Commons Public Administration Select Committee (PASC) is active in scrutinising many aspects of public services, and that public service provision—education, health, criminal justice, welfare, transport and infrastructure—has been considered by committees of both Houses in recent years, we consider that there remains scope for a House of Lords committee to take a holistic, strategic view of public service provision in the light of demographic change. The House has substantial experience in the policymaking and delivery of public services, which would be well suited to such a task. The potential range for this Committee is wide, and we envisage that once appointed the committee would wish to consider carefully its call for evidence so it focussed its work in a practical way. In particular, any committee would need to be mindful of the work of the PASC and other House of Commons committees when scoping its inquiry.

32. **We recommend the appointment of an ad hoc committee on Public Service provision in the light of demographic change, to report by the end of the 2012–13 Session.**

Small and Medium Sized Enterprises (SMEs) exporting goods and services

33. We considered a proposal by Lord Popat and others for an ad hoc inquiry into what the Government is doing to promote and assist Small and Medium Sized Enterprises (SMEs) to export their products and services (Appendix 1). Whilst a good deal of consideration has been given to issues relating to small business, no recent, single inquiry has focused exclusively on barriers to growth for small business, and therefore we believe such an inquiry would be timely. The House has considerable business experience which could be usefully drawn upon in any such inquiry.
34. **We recommend the appointment of an ad hoc committee on SMEs exporting goods and services, to report by the end of the 2012–13 Session.**

Post-Legislative scrutiny

35. The Leader's Group on Working Practices recommended that the House "appoint a Post-Legislative Scrutiny Committee, to manage the process of reviewing up to four selected Acts of Parliament each year."⁴ The Leader of the House put a variant proposal to us, that it would make better use of the expertise of members to establish an ad hoc committee on a particular Act or Acts.
36. The Government have committed to publish post-legislative assessments of almost all Acts passed since 2005 within 3–5 years of their passing. While a considerable number of post-legislative memoranda have been published, relatively few Acts that are not already being considered by House of Commons committees are currently ripe for a significant post-legislative scrutiny inquiry. One Act which we believe would be suitable is the Children and Adoption Act 2006.⁵ We also consider that post-legislative scrutiny of the Act could sensibly be conducted with post-legislative scrutiny of the Adoption and Children Act 2002.
37. A post-legislative scrutiny committee could consider why the overall number of adoption placements has fallen in recent years, despite the intention behind the legislation, which was to speed up the adoption process and reduce the number of children in long-term care. The Government have stated that speeding up the adoption process is a priority, recently emphasised by the Prime Minister, and post-legislative scrutiny of the legislation in this area could consider why the process is still so slow.
38. **Post-legislative scrutiny is potentially an important new area of Select Committee activity for the House of Lords. It will, however, be necessary to evaluate the outcome of the first post-legislative scrutiny committee. This will be a future task for this Committee. We recommend the appointment of an ad hoc post-legislative scrutiny**

⁴ Paragraphs 134–141.

⁵ A post-legislative scrutiny memorandum for the Children and Adoption Act 2006 was published in December 2011: <http://www.official-documents.gov.uk/document/cm82/8204/8204.pdf>.

committee to examine the Children and Adoption Act 2006 and the Adoption and Children Act 2002, to report in a timely manner, so as to allow for evaluation of the Committee's work before the end of the 2012–13 Session.

39. If time allowed, the resources allocated to the first post-legislative scrutiny could then be made available for another post-legislative scrutiny committee to be established on another topic within the 2012–13 Session.

Gulf War Veterans

40. The Committee considered a proposal from Lord MacLennan of Rogart (Appendix 6) for the appointment of a select committee on the health needs of Gulf War veterans, and agreed that this subject had been adequately considered elsewhere. **We do not recommend the appointment of a committee on the health needs of Gulf War veterans.**

Arab Spring

41. The Committee considered a proposal from Lord Davies of Stamford (Appendix 7) for an ad hoc enquiry on “The Arab Spring and its consequences for North Africa and the Middle East.” Given that the House of Commons Foreign Affairs Select Committee is currently undertaking an enquiry into “British Foreign Policy and the Arab Spring” **We do not recommend the appointment of a committee on the Arab Spring.**

Regulators

42. In December 2011 Lord Rooker wrote to the Leader of the House suggesting that there should be a select committee scrutinising Regulators. Following the report of the ad-hoc Committee on Regulators we have twice considered further proposals for another Committee (in June and November 2010), and each time have decided against. We remain unpersuaded of the merits of a further review. **We do not recommend the appointment of a further committee on Regulators.**

Participation by Members

43. In the past, the availability of Members to serve on investigative select committees has been a constraint on the extent of that activity. We do not think that this remains true, given the influx of new members since the election. Indeed one of the objectives of our deliberations was to seek to find new opportunities for a wider group of Members to participate in committee work. We accordingly recommend two further changes to enable this to happen. The first is that **the maximum size of sub-committees of the European Union Committee should be increased from 12 to 14 Members.** Second, we considered whether the rotation rule as it applies to investigative sessional committees provides for sufficient opportunities for the membership of such committees to be refreshed. We think that the current rule should be reconsidered, and accordingly **we invite the Procedure Committee to consider the reduction of the rotation rule relating to length of service on such committees from four to three years.**

SUMMARY OF RECOMMENDATIONS

44. New investigative select committees should be appointed for a fixed term of up to one Session to conduct a specific inquiry. It would of course remain open to committees appointed on this basis to bid for re-appointment at the end of their term.
45. We recommend an additional unit of committee activity and have sought and obtained the approval of the House Committee to this additional expenditure. Apart from the additional unit of committee activity which we recommend, our recommendations for new committees are conditional on the House's agreement to the redeployment of resources we propose.
46. From the start of the 2012–13 Session the number of sub-committees of the European Union Committee should be reduced from seven to six. The European Union Committee should reapportion responsibilities for policy areas between its remaining sub-committees as it sees fit. We also recommend that the size of European Union sub-committees should be increased from 12 to 14 members.
47. From the start of the 2012–13 Session the Science and Technology Committee should be allocated the resources of a single select committee. The Committee should retain the power to appoint a sub-committee, and the power to co-opt additional members for particular inquiries, but those powers should not be exercised in such a way as to increase the workload of the committee beyond that of a single committee unit.
48. The Economic Affairs Committee should continue to support its Finance Bill sub-committee from within the existing resources of the main Committee, and should carry out the same work and function as at present. In the light of the new approach to tax policy-making adopted by the Government we agree that the Committee should be able to appoint that Sub-Committee at an earlier point in the year in order to scrutinise the draft Finance Bill.
49. The Communications Committee should be re-appointed on the same basis as at present at the start of the 2012–13 Session. We will review the question of its further re-appointment towards the end of that Session.
50. Some of the resources which would be freed up by the reduction in sub-committee activity we have proposed should be re-allocated to support pre-legislative scrutiny. The House should plan on the basis of supporting an additional pre-legislative scrutiny committee.
51. The House should appoint an ad hoc committee on Public Service provision in the light of demographic change, to report by the end of the 2012–13 Session.
52. The House should appoint an ad hoc committee on SMEs exporting goods and services, to report by the end of the 2012–13 session.
53. Post-legislative scrutiny is potentially an important new area of Select Committee activity for the House of Lords. It will, however, be necessary to evaluate the outcome of the first post-legislative scrutiny committee. This will be a future task for this Committee.
54. The House should appoint an ad hoc Post-Legislative Scrutiny Committee to examine the Children and Adoption Act 2006 and the Adoption and

Children Act 2002, to report in a timely manner, so as to allow for evaluation of the Committee's work before the end of the 2012–13 Session.

55. We do not recommend the appointment of a committee on the health needs of Gulf War veterans.
56. We do not recommend the appointment of a committee on the Arab Spring.
57. We do not recommend the appointment of a further committee on Regulators.
58. The maximum size of sub-committees of the European Union Committee should be increased from 12 to 14 members.
59. We invite the Procedure Committee to consider the possible reduction of the rotation rule relating to length of service on investigative sessional committees from four to three years.

APPENDIX 1: LETTER TO THE CHAIRMAN FROM LORD POPAT ON SMALL AND MEDIUM ENTERPRISES (SMES)—EXPORTING GOODS AND SERVICES

Ahead of the next meeting of the Liaison Committee on Tuesday 6th March I would like to make the following proposal for a short inquiry into what the Government is doing to promote and assist Small and Medium Sizes Enterprises (SMEs) export their products and services. In this proposal I am supported by Lord Parekh, Lord Dykes and Baroness Prashar.

Given the economic conditions Britain faces and the Government's focus on rebalancing the economy, I believe this is a particularly timely subject to investigate. As has been widely reported, according to the Office of National Statistics, the UK's Gross Domestic Product (GDP) shrank by 0.2% in the fourth quarter of 2011 and economic growth remained relatively low all of last year, with many industries seeing demand stagnate.

In addition our major trading partners in the Eurozone are continuing to struggle with their own economic problems and domestic consumer confidence in the UK remains relatively low. For the Government's deficit reduction strategy to be successful, new pockets of export-led economic demand will need to be uncovered and encouraging SMEs to export could and should be a major source of that demand.

Before being ennobled I had a thirty year career working with and for SMEs in a range of sectors. I am fortunate to have maintained contact with many of them and based on numerous anecdotes and conversations regarding the difficulties of exporting, I believe that this is an area that merits thorough consideration.

Exporting is often a natural progression for many larger companies; they can afford to bring in expertise and guidance, and develop sophisticated plans for specific markets. Unfortunately this sort of planning is usually not available to SMEs—who are often small start ups or who haven't even considered the possibility of exporting—I believe it is in our nation's economic interest for the Government to help those firms.

I note that the House of Commons Business Innovation and Skills (BIS) Committee recently investigated "*Rebalancing the Economy: Trade and Investment*", which was published in July 2011 and touched on encouraging SMEs to export. In the report, Phil Orford from the Forum of Private Business (FPB) stated:

"There is a real difference in going from trading within your town, your county or your region, or even within the UK, to taking that step to international trade, and we certainly believe that there's a lot more that could be done [...] to try and break down some of the perception barriers that exist within businesses that have a desire to export but don't really know how to take that next step."

Unfortunately the UK Trade and Investment's (UKTI) five-year strategy (*Britain Open for Business*)—which set out the target of 'reaching out' 25,000 UK companies a year—was not particularly scrutinised by the BIS Committee as it was only published in May 2011, despite it being originally scheduled for January 2011. It therefore seems appropriate that this strategy is further scrutinised by Parliament.

The Government has made supporting trade through increased investment and exports a central part of its plan to boost growth in the economy. As the Foreign and Commonwealth Office's website states, one of the Government's priorities is:

“[To] build Britain's prosperity by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth.”

I do not believe that this is a contentious priority (as demonstrated by the cross-party support for this proposal)—indeed I would state that this should be one of the first priorities of any Government—however I do believe it is essential that the Government's work in this area is scrutinised. Given that the Minister responsible—the Trade Minister, Lord Green of Hurstpierpoint—is a member of this House, it seems appropriate that the scrutiny falls to a body in the House of Lords.

I believe this inquiry should be limited specifically to the work currently being carried out by the Government—and the appropriate arms of Government—and work that is planned by the Government to help SMEs export their products and services. I have been careful to limit this review to SMEs as I feel broadening out this remit would considerably more time than the short inquiry we are requesting.

In summary, I feel that many businesses in this country would benefit from assistance in exporting their goods and services, and the Government has identified this as a key area of economic growth. Yet there remains considerable uncertainty and ignorance amongst the SME community about what help is and should be available, and I believe an inquiry will help to enlighten both the Government and the SME community on the current situation and how we can best progress.

2 MARCH 2012

POPAT

APPENDIX 2: LETTER TO THE CHAIRMAN FROM LORD ROPER, CHAIRMAN OF THE EUROPEAN UNION COMMITTEE

Thank you for your letter of 16 February. I welcome the opportunity to attend the Liaison Committee at around 4.15 pm on 6 March.

I thought it would be helpful to include some background information in this letter. I know that much of this will be familiar to you and to the other members of the Liaison Committee but, particularly as the role of the Committee has developed in a number of ways recently, I thought it would be useful to provide the Committee with an overview, allowing more time for discussion at the meeting.

Work of the Committee

The EU Committee is appointed by the House to scrutinise EU documents, and the development of EU policies, in advance of decisions being taken on them. It does this to influence the Government's position in negotiations in Brussels, to hold the Government to account for their actions at EU level, and to influence the development of EU legislation and other policies which affect the UK. This role may be regarded as increasingly important in the context of the enhanced role for Parliament recognised in the European Union Act 2011.

The Committee is assisted by seven sub-committees which deal with different sets of policy areas:

- Economic and Financial Affairs, and International Trade
- Internal Market, Energy and Transport
- Foreign Affairs, Defence and Development Policy
- Agriculture, Fisheries and Environment
- Justice and Institutions
- Home Affairs
- Social Policies and Consumer Protection

The Sub-Committees conduct their work in two key ways.

They scrutinise the proposals for new laws by the EU, and other EU documents such as foreign policy proposals. They do this on the basis of EU documents deposited in Parliament by the Government, explanatory memoranda produced by the Government, and analysis prepared by the Committee's own staff.

The Sub-Committees also conduct in-depth inquiries into the most important of these proposals, and the major issues facing the EU and the UK—most recently the eurozone crisis. Thus far this session the Committee has produced 25 reports, 16 of which have been put forward for debate in the House.

The Select Committee itself approves reports prepared by the Sub-Committees; considers Government and Commission responses to reports; examines the Commission's annual work programme; holds evidence sessions with the Minister for Europe; holds meetings with the Ambassador of each incoming Presidency country; and conducts inquiries on major cross-cutting issues, such as the EU's budget for 2014–2020, and proposed Treaty changes.

Purpose of the Committee's work

Accountability

The Committee's work ensures the accountability of HMG to Parliament. A substantial amount of the Government's work concerns the European Union but it is not practical for detailed scrutiny to be undertaken by the House in the chamber. The specialist sub-committees allow the House effectively to scrutinise Government Ministers and to hold them to account for what they do and agree to in the European Union. Thus far this session, the Committee has issued over 1000 letters raising concerns and questions with Government Ministers, and has heard evidence from Ministers on 37 occasions.

Legislative scrutiny

The EU produces a great deal of the legislation affecting the United Kingdom. The EU Committee examines that legislation and influences its development. The Committee examines policy proposals and draft legislation during the early stages, not when they are being implemented and cannot easily be changed.

The workload is huge. So far this session the Government have presented 1622 EU documents to Parliament. This equates to around 900–1000 documents annually. There is a sifting system to ensure that we focus our limited resources on the most important proposals, but even so the Sub-Committees have had to examine 672 documents so far this session.

Here are a few of the proposals currently under scrutiny by the EU Committee and its Sub-Committees:

- the EU's budgets for 2014–2020 across all policy areas, including proposals to cut the UK's budget rebate
- further aligning Member States' criminal law procedures, including on extradition
- a financial transaction tax
- new rules for the allocation of landing slots at airports and regulating noise levels
- new rules on public procurement across the EU
- reform of the common agricultural and fisheries policies

In an EU of 27 Member States, with 40 chambers, it is sometimes not easy to identify the direct impact of any one Committee. But to take just one example, last year our Social Policies and Consumer Protection Sub-Committee reported on the free movement around the EU of healthcare professionals. This inquiry was initially inspired by contact with one of the medical regulators, and followed concerns that the current system was allowing patients to come to harm. Since publication of the report, which received a great deal of media attention, the Commission has published its legislative proposal, which reflects key recommendations made by the Committee. A follow-up informal discussion was held with the regulatory bodies of all the directly affected professions. As a result of the report, the Chairman of the Sub-Committee has been invited to speak at separate conferences in Brussels in November and again in March on how the policy should be taken forward.

Duties of national Parliaments under the Lisbon Treaty

The Lisbon Treaty has given national parliaments an increased role. Since the treaty came into effect in 2009 the EU Committee has helped to make sure that the House exercises its rights under the treaty. In particular, the Committee examines proposals to make sure that the subsidiarity principle, whereby proposals are only taken forward at EU level when it adds value to alternative measures at national level, is respected and, if it has concerns, it seeks the agreement of the House to make a report to the EU institutions. So far this has been done on three occasions. Spotting potential problems with subsidiarity, and making appropriate reports to the House, has to be done quickly.

Engagement with the public, and reputation of the House

The Committee contributes to the House's reputation with stakeholders across the UK. The Sub-Committees' inquiries allow them to engage with a wide range of stakeholders, and the Committee has a high reputation. Following the Agriculture, Fisheries and Environment's influential July 2011 report on Innovation in Agriculture, a seminar was held in November 2011 to discuss the report in the light of the Commission's proposals for the future of the Common Agricultural Policy. The seminar brought together the DEFRA Minister Lord Taylor of Holbeach, key British stakeholders and the European Commission, which we understand has helped the Commission to consolidate its ideas on the development of a new innovation partnership in the area of agriculture.

Scrutiny of EU institutions

The Committee provides scrutiny of EU institutions. The Committee questions EU Commissioners, tests the Commission's proposals, and shares concerns with other national parliaments and the European Parliament. For example, in February the EU Commissioner in charge of the proposed financial transaction tax—a major concern for the UK—came to the Lords to give evidence, and heard the detailed concerns of the Sub-Committee on Financial Affairs. The Commissioner's appearance before the Committee received significant media coverage.

Supports the entire House

The Committee helps ensure that the House has a large number of members who understand how the European Union works, and can engage effectively with European issues. For example, on 16 February the House held an excellent debate on the eurozone crisis. Of the 36 members who spoke, 23 of them were current or former members of the EU Committee and its sub-committees.

Expertise

The EU's work covers nearly all policy areas, including financial matters, the internal market, international trade, home affairs and social affairs, justice, the environment, agriculture, foreign policy, defence, etc. Having subject specialist sub-committees allows these important areas to be examined effectively. The members of each sub-committee are able to contribute expertise, and to gain it, in particular policy areas, and to pursue major issues consistently. If each Sub-Committee had a significantly higher number of policy areas to examine this expertise, and the very strong member input into the work, would be diluted.

The EU Committee currently offers, to my mind, the best example of the Lords and Commons committee systems operating in a complementary way. We routinely conduct substantive, evidence-based, policy scrutiny and seek to influence the development of EU policy, while the Commons operates in a very different way. The House has established an unparalleled reputation externally for the quality and objectivity of our work and plays a leadership role amongst EU national parliaments, at a time when the role of national parliaments in the EU's institutional architecture is becoming increasingly significant.

I do of course understand that the Liaison Committee is looking to free up resources for other select committee activity against a backdrop of financial restraint. We are not complacent about the resources currently allocated to EU work, nor about the way we do our work. But I do think it is vital that the ability of the EU Committee to conduct its scrutiny is not significantly impaired by any changes.

1 MARCH 2012

ROPER

APPENDIX 3: LETTER TO THE CHAIRMAN FROM LORD KREBS, CHAIRMAN OF THE SCIENCE AND TECHNOLOGY COMMITTEE

Thank you for your letter of 16 February in which you invite me to appear before a meeting of the Liaison Committee on Tuesday 6 March at 4.30 pm. I am delighted to have an opportunity to discuss the Liaison Committee's proposals with regard to the future of the Science and Technology Committee.

You indicate in your letter that the Liaison Committee is minded to reduce the Science and Technology Committee to a single Select Committee in order to release resources for new *ad hoc* committee activity. I am aware that the Report of the Leader's Group on Working Practices recommends (at paragraph 236) that the House should establish two additional select committees. I note also that, in setting up these two additional committees, the Leader's Group recommends that particular regard should be paid to the need for Lords committees to (1) "make best use of the knowledge and experience of members of the House", (2) "complement the work of the Commons departmental select committees" and (3) "address areas of policy that cross departmental boundaries".

In advance of the Liaison Committee meeting next week, I hope that it may assist you in your deliberation if I were to set out the reasons why, in my view, retaining the current level of resources for the Committee, coupled with some changes to our working practices, would provide the most effective means of responding to the Leader's Group recommendations and, more generally, of enabling the House to discharge one of its core functions of holding the executive to account in those policy areas which fall within the Committee's orders of reference.

Current working practices of the Science and Technology Committee

The Science and Technology Committee is a Select Committee with power to appoint sub-committees. The sub-committees are *ad hoc* committees in the sense that they are appointed for the duration of an inquiry and cease to exist when they report to the Select Committee.

The Liaison Committee indicated in its First Report of this session that the Select Committee should restrict its operation to two units of activity. We have worked within this limit principally by running two parallel inquiries, one by the Select Committee and another by a sub-committee. It is the practice of both committees to co-opt additional members for each new inquiry.

(1) Making use of the knowledge and experience of Members

The Leader's Group refers (at paragraph 226) to "the clear public interest in making the best use of the expertise of the House's Members". Membership of the House includes a significant number of eminent scientists, both natural and physical scientists and social scientists, and also of those who have an active interest in, and experience of, science and science policy. The Science and Technology Committee is a highly effective mechanism for ensuring that the House benefits from its expert membership. The interest amongst members of the House in the work of the Committee is demonstrated by the fact that the demand for places on the Committee exceeds their availability.

(2) Complementing the Commons Science and Technology Committee

The Leader's Group acknowledges (at paragraphs 226 and 227) that there will be some overlapping activity in any bicameral legislature. Both Houses have European Committees and both have a Science and Technology Committee. The report, however, suggests that "the essential point is not that the two Houses should not overlap, but that they should work in a complementary fashion". It has been a long held practice of the Lords Science and Technology Committee to liaise frequently at official level and occasionally at member level to ensure that the two Committees do not carry out inquiries into the same areas of policy.

(3) Cross departmental inquiries

Recognising that the Commons Committees are structured, by and large, to shadow individual Government departments, it is also a long held practice of the Committee to undertake cross departmental inquiries.

Advantages of a sessional committee generally

Sessional committees remain in existence after they have reported. As a result, they are able to plan long-term work programmes, receive Government responses, undertake short inquiries and one-off evidence sessions and return to previous inquiries to follow-up progress on recommendations. Sessional committees, therefore, to a far greater extent than *ad hoc* committees, are able to play a crucial role in enabling the House to hold the executive to account.

Sessional committees are also able to develop an influential reputation externally. The Science and Technology Committee is over 30 years old and, as the Liaison Committee will be aware from the material submitted at the beginning of the session, it commands a great deal of authority within the House, the scientific community and the public at large.

Proposed change in Science and Technology Committee working practices

I would like to make a proposal which would provide a means of securing wider involvement of members in the committee activity of the House whilst preserving the advantages of a sessional committee. The Committee has 14 members and sub-committees may have up to 12 members. If the Committee were to continue with its current resources but undertake inquiries through two sub-committees (rather than through Select and a sub-committee), this would combine continuity with the opportunity to co-opt up to five members to each sub-committee.

This model of working would create a degree of "churn" of membership which could be increased if changes were also made to the rules of procedure, such as allowing more than 12 members to sit on sub-committees or changing the rotation rule from four to three years.

A further advantage of this proposal would be that the Select Committee (rather than the Liaison Committee and the House) would agree the subjects for inquiry by the sub-committees. As a result, the Committee would be in a position to ensure that no time is lost between completing an inquiry and launching a new inquiry. Inevitably, in the case of *ad hoc* committees, there will be a gap in activity since the Liaison Committee and House will need time to consider new inquiry topics once an *ad hoc* has reported.

Remit of the Science and Technology Committee

The orders of reference of the Committee are “to consider science and technology”. This is a broad remit. The range of subjects the Committee covers is considerable. In recent months, for example, we have published reports on Behaviour Change, Nuclear Research and Development Capabilities and today the Committee has published its report on Departmental Chief Scientific Advisers. The significance of the policy areas within the Committee’s orders of reference has never been greater. In these times of economic hardship, the role of a committee which is able to investigate, for example, the development of science-based industries and high-value manufacturing technologies, innovation and procurement, and waste reduction is crucial.

Given this breadth of subjects, the subject of inquiry of any proposed *ad hoc* may well fall within the scope of the Committee’s orders of reference. I note that the Leader’s Group (at paragraph 234) sets out a number of suggestions for additional committee activity. They include, for example, health and national infrastructure, both of which would be appropriate subjects of inquiry for the Science and Technology Committee.

I look forward to attending the Committee next week. I would be most grateful if this letter could be circulated to members of the Liaison Committee in advance of the meeting.

29 FEBRUARY 2012

KREBS

APPENDIX 4: LETTER TO THE CHAIRMAN FROM LORD INGLEWOOD, CHAIRMAN OF THE COMMUNICATIONS COMMITTEE

Thank you for your letter of 16 February inviting me to appear before the Liaison Committee at its meeting on 6 March. I would be delighted to attend.

I thought that it might be helpful in advance of my appearance before the Committee to set out some of the practical implications of any proposal for the Select Committee on Communications to become an *ad hoc* committee.

As you know, the Select Committee on Communications is not a sessional committee that is automatically reappointed for the duration of each Parliament. It has, however, been reappointed at the beginning of each session since it was established in May 2007. The Committee's work has been characterised by a constructive dialogue with the sector, initially put in place by Lord Fowler, which has enabled it to build a reputation externally. This has not only benefited policy making but has enhanced the reputation of the House in the wider world.

If the Select Committee on Communications were to become an *ad hoc* committee, the practical implications would be far reaching and the members of the committee are unanimously of the view that such a change would have a detrimental impact on the work and effectiveness of the Committee. As an *ad hoc* committee, we would only be appointed to conduct a specific inquiry. This is very different to the current situation whereby the Communications Committee is appointed for a session and chooses how to shape its work programme during that session. Sometimes it chooses to focus on a couple of long in-depth inquiries, sometimes shorter inquiries, and each session there tends to be one or two non-inquiry related evidence sessions which follow-up previous reports or scope the area for future inquiries.

If it were an *ad hoc* committee the end of each inquiry would signal the end of the committee. At that point the Liaison Committee would have to consider a new bid for a new inquiry. We would never know whether the Liaison Committee would accept the new bid or whether the next *ad hoc* committee would have the same membership or even the same name. There would always be a hiatus of activity while the Liaison Committee and the House considered any new proposal and during this hiatus our members and staff would have little to do.

Because of the onerous process of getting agreement to a new inquiry it is unlikely that short inquiries would be suggested. It would be outside an *ad hoc* committee's remit to hold one-off sessions to follow-up old inquiries or investigate possibilities for new ones. This would significantly undermine the impact of the Committee's work.

In short, if established on an *ad hoc* basis, the Communications Committee would not be able to plan a work programme, follow-up old inquiries, scope the area for new inquiries or hold short inquiries on important but relatively limited policies. It could not build a reputation externally, and it could not assume a steady membership across sessions, or even a steady chairmanship. These are significant differences. What sounds like a small procedural change will have a considerable practical impact.

The media and the creative industries, the Committee's remit, are in an extraordinary state of flux at present. Rapid economic, technological and behavioural change is creating profound economic, legal and regulatory challenges for all concerned. I believe that it is vital that the Committee continues to be

appointed with the flexibility to conduct various inquiries over the course of the next session and hopefully for future sessions to come. This is the status quo. The Liaison Committee still has a role in considering our future at the end of each session and if at that point the Liaison Committee did not consider our work to have been a good use of resources then we could not expect to be re-appointed.

I hope that this is helpful background and you might see fit to circulate this letter to the Committee in advance of its meeting at which I look forward to seeing you.

28 FEBRUARY 2012

INGLEWOOD

APPENDIX 5: PRE-LEGISLATIVE SCRUTINY IN 2012–13: LETTER TO THE CHAIRMAN FROM THE LEADER OF THE HOUSE

I am conscious that my paper for the Liaison Committee about investigative Select Committees makes no mention of pre-legislative scrutiny. The Leader of the House of Commons and I are both strongly committed to pre-legislative scrutiny and its value; and the Government intend to publish a number of measures for such scrutiny in the course of session 2012–13.

At this stage, I cannot identify the subject matter of the measures because I should not wish to pre-empt The Queen's Speech. I can however say that I intend to write to you, in your capacity as Chairman of the Liaison Committee as soon as I am in a position to do so, in order to set out the Government's aspirations for pre-legislative scrutiny to be conducted by Joint Committees of the two Houses. I am conscious that the two administrations can support two units of joint pre-legislative scrutiny at any one time; and that this may therefore require careful sequencing of the measures proposed for pre-legislative scrutiny by a Joint Committee.

I have written to you previously to set out the Government's intention to publish a draft Parliamentary Privilege Bill. That remains our intention, but I should make clear that this need not mean that that draft bill would be the first to be put forward for pre-legislative scrutiny next session—other measures may be more time-sensitive. I understand from the Clerk of the Parliaments that a Joint Committee on a draft Parliamentary Privilege bill would (in the Lords) principally be supported by the Journal Office. If that is the case, I should be grateful for the Liaison Committee's view on whether the two Houses would remain capable of supporting two further joint pre-legislative scrutiny committees alongside any Joint Committee on a draft Parliamentary Privilege Bill, or only one.

8 FEBRUARY 2012

STRATHCLYDE

APPENDIX 6: LETTER TO THE CHAIRMAN FROM LORD MACLENNAN OF ROGART

I have been approached by the General Manager of the National Gulf Veterans and Families Association in terms of a letter, a copy of which I enclose [*not printed*]. Paragraph 6 reads as follows:

“... Please support the NGVFA’s ongoing Gulf War 20th Anniversary Campaign by; putting forward a proposal to the House of Lords Liaison Committee for the appointment of an ad hoc committee to review this new evidence; table oral or written questions on the subject to Her Majesty’s Government; and bring evidence to light with colleagues.”]

Can you say whether the Liaison Committee would be prepared to act in the manner in which Ms. Rusling advocates in her sixth paragraph? I shall be most grateful to have your advice.

23 FEBRUARY 2011

MACLENNAN OF ROGART

APPENDIX 7: LETTER TO THE CHAIRMAN FROM LORD DAVIES OF STAMFORD

I am writing, following our conversations yesterday, formally to propose that the next Select Committee report should cover “The Arab Spring and its consequences for North Africa and the Middle East.” I believe this to be a very pertinent subject on which the public would expect a considered Parliamentary view. It is very cross-cutting, covering various aspects of foreign affairs, Development, economics, energy policy and even defence and therefore not an obvious subject for a House of Commons Select Cttee. I am sure that if properly disciplined it could report before the end of the session—indeed it would need to report quite rapidly if it is to be useful in a very fast evolving situation.

23 JUNE 2011

DAVIES OF STAMFORD