

March 2023

# SUBMISSIONS TO THE 2023 NATIONAL POLICY FORUM



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**Labour for the Long Term has made submissions to the 2023 Labour Party National Policy Forum on the following topics:**

- [AI and data](#) - recommending that Labour commit to a strengthening of government and regulatory capacity on AI and the creation of a compute fund when in office.
- [Semiconductor supply chain security](#) - recommending that Labour commit to strengthening semiconductor supply chains once in office, and setting out areas that a Labour semiconductor strategy should address.
- [Resilience](#) - outlining policies that can contribute towards building a resilient economy and society, with reference to the Government's 2022 Resilience Framework.
- [Pandemic preparedness](#) - calling for Labour to declare a national objective to make the UK the best prepared country in the world against future pandemics and commit to matching the US Government's spending on pandemic preparedness proportionate to GDP.

*Please see below for full text of each of the submissions.*

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## About Labour for the Long Term

Labour for the Long Term aims to put the future at the heart of our policy-making.

The decisions we make in the coming years will affect humanity for generations to come. We want to help Labour develop policies to ensure a resilient future: from reducing the risk of deadly pandemics and fighting climate change, to preparing for emerging technologies and rising great power conflict. For now and for the long term.

For more information, please contact: [committee@labourlongterm.org](mailto:committee@labourlongterm.org)

## **Submission - AI and Data**

**This submission primarily outlines policies that can contribute to Mission 2 of the Industrial Strategy: Harnessing Data for Public Good.**

### **Compute**

The industrial strategy highlights that the UK is a world leader in AI ethics and safety research and that investment in this research is vital for nurturing a healthy AI sector that serves the public interest. It also recognises the importance of levelling the playing field for smaller firms, creating more competitive markets and enabling new services. However, right now cutting-edge AI models cost tens of millions of dollars to train and require significant infrastructure to deploy. This is out of the reach of most academics, civil society and SMEs.

Government could redress the balance between big tech companies and the rest of society and maintain the UK's leading position in AI ethics and safety research, by creating a 'compute fund' to provide free or subsidised computation resources to researchers and civil society organisations working on socially beneficial AI applications or AI auditing, safety and security.

This compute fund would help rebalance power between private tech companies and workers by allowing unions, civil society organisations and academics, who might otherwise lack the resources, to scrutinise, audit and hold accountable commercial AI systems. It would also provide an infrastructure for SMEs, cooperatives and unions to build competing AI tools that provide increased productivity and better services while retaining autonomy and dignity at work.

### **Safe and Responsible AI**

The industry strategy also aims to ensure the UK is the best place in the world for safe and responsible AI, by building the world's most competent regulatory environment for AI, and supporting a thriving and effective AI assurance ecosystem.

To support an effective AI assurance ecosystem, there first need to be incentives to assess the societal risks from AI systems. Labour could legislate to require impact assessments, as is already happening with fundamental rights impact assessments in drafts of the EU's AI Act and Canada's mandated Algorithmic Impact Assessment for public sector agencies. A Labour government could institute assurance requirements as part of any process to share public data or in procurement requirements in the public sector. It could also provide regulatory advice to private companies around best practice in AI or what to look for when procuring AI systems. Finally it could even sponsor prizes or challenges around risk assessment methods or trials.

### **Regulatory Capacity**

There will also need to be regulatory capacity to support risk assessment, and to deliver monitoring and investigation functions that help ensure the mitigation of risks over time. In the UK, some regulators have had longer established capacity for this, such as the CMA, and others such as Ofcom have recently been expanding to take on these responsibilities. However, some regulators which may have expertise well-suited to considering societal risks, such as the Equality and Human Rights Commission (EHRC), are little resourced for

tackling questions of AI. The EHRC was set up by the last Labour Government to tackle discrimination, promote equality and protect human rights, and Labour should empower it and provide it with greater resources to investigate risks and harms from AI systems.

The UK is a major services exporter, and has a strong audit sector and existing expertise in AI ethics. Because of this, AI assurance can be a major growth sector for the UK - if there are clear standards, stable regulation, and public support for existing assurance and safety initiatives.

This submission is made by Labour for the Long Term. For more information, please see our [website](#).

## Submission - Semiconductor Supply Chain Security

### Summary

- **Labour should urge the Government to release its semiconductor strategy.**
- **Labour should commit to strengthening semiconductor supply chains in office.**
- **A Labour semiconductor strategy should set out policies to: (1) grow the UK semiconductor industry; (2) safeguard the UK against semiconductor supply chain disruption; and (3) secure the UK against the risks associated with semiconductor technologies**

**The supply chain for advanced semiconductor chips is one of the most strategically important to the present and future of the UK.** Currently, the UK, US, and a group of allies exercise a significant advantage over international competitors like China in their ability to produce advanced semiconductor chips. This is a result of strict control over key areas of the supply chain, and translates into significant advantages in the race to develop technologies such as artificial intelligence. These advantages are important for boosting economic growth and ensuring that advanced computing technologies are subject to democratic oversight - and in turn, developed safely and ethically.

This long-held advantage is now at risk as a result of China seeking to establish its own ecosystem for advanced chip production - a development that could ultimately threaten UK access to semiconductors and thereby national security.

The US and EU have taken robust action to increase their semiconductor supply chain security and boost domestic production - with the US passing the [CHIPS and Science Act](#), and the EU set to pass the [European Chips Act](#). The US has also introduced [export controls](#) which make it nearly impossible for companies to sell chips, chip-making equipment, and semiconductor software containing US technology to China.

By contrast, the UK Government's semiconductor strategy is currently half a year overdue (having been promised by Autumn 2022). **Labour should urge the Government to release its semiconductor strategy** - to avoid falling further behind our international allies and competitors in safeguarding the semiconductor supply chain.

We also **recommend that Labour develop a full set of semiconductor supply chain proposals, to implement immediately upon entering Government.**

Below, we set out a series of policies which the next Labour government should implement at a minimum, to protect the UK's access to semiconductor supplies and ensure national security. This list draws on recommendations made by the [CSET](#), the [BEIS Commons Select Committee](#) and the [Centre for Policy Studies](#).

### Growing the semiconductor industry

1. Establish government-supported enterprise bodies to coordinate between industry, academia and government in each of the UK's five existing semiconductor clusters.
2. Provide sponsorship for advanced engineering degrees in partnership with universities in each of the UK's five semiconductor clusters.

3. Explore the construction of an open access fab in the South Wales semiconductor cluster.
4. Simplify and liberalise the system of R&D tax credits, to allow for greater investment in semiconductor plant and machinery.
5. Explore the creation of a multi-year fund for the semiconductor sector within UKRI.

### **Safeguarding against supply chain disruption**

1. Explore the creation of a new multilateral organisation for cooperation between allied countries on semiconductor supply chains.
2. Request that the UK be invited to take part in relevant parts of the EU-US Trade and Technology Council.

### **Securing the UK against the risks associated with semiconductor technologies**

1. Add semiconductors to the list of thirteen sectors currently included within the Government's [definition](#) of 'critical national infrastructure'.
2. Review the effectiveness of the National Security and Investment Act 2022 in safeguarding the future of the UK semiconductor industry - with specific regard to the process around the Newport Wafer Fab intervention.

This submission is made by Labour for the Long Term. For more information, please see our [website](#).

## Submission - A Labour Resilience Framework

**This submission outlines policies that can contribute towards building a resilient economy and society, and focuses on the Government Resilience Framework. For our full briefing on a Labour Resilience strategy visit our [website](#).**

We live in a time of unprecedented levels of civil contingency risk, from extreme weather events caused by runaway climate change, to the possibility of [another deadly pandemic](#). We can overcome these challenges by building a resilient nation.

**Following COVID-19, we have a huge opportunity to place resilience at the heart of policymaking.** We learned the hard way that an insufficient focus on risks like pandemics costs thousands of lives and billions of pounds: not only did 200,000 people in the UK lose their lives to COVID-19, but the pandemic also led to £310 billion in extra government spending<sup>1</sup> and an increase in the UK's debt-to-GDP ratio from 80% to 100%.<sup>2</sup>

**The Conservatives have failed to translate the lessons from COVID-19 into government policy,** and the UK is still unprepared for future risks, endangering the lives of our children and grandchildren.

**A Labour Government can promise more. Labour has a proud history of building national resilience,** introducing the Civil Contingencies Act 2004, which remains the basis of resilience planning in the UK. It was also the Labour Government of 2008 that created the National Risk Register, ranking pandemics as the most significant national security threat to the UK<sup>3</sup>, and passed the first Climate Change Act in 2008.<sup>4</sup>

**In December 2022, the UK Government released its long-awaited [Resilience Framework](#),** setting out its strategy to improve the UK's ability to prepare for and respond to civil contingencies. Welcome features of the new framework include commitments to improve the UK's National Security Risk Assessment, create a new Head of Resilience, and increase regulation of the private sector to improve resilience standards.

**Nevertheless, there remain a significant number of limitations and weaknesses in the Framework.** These include:

1. The absence of a whole-of-society approach to resilience;
2. Inadequate focus on vulnerable and marginalised communities;
3. Slow speed of adoption of key reforms;
4. Inadequate risk management systems; and
5. Absence of focus on long-term and catastrophic risks.

**To address these shortcomings, a future Labour Government should commit to reviewing and strengthening the Resilience Framework as a priority upon taking office.**

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<sup>1</sup> [Public spending during the Covid-19 pandemic | House of Commons](#)

<sup>2</sup> [How did COVID affect government revenues, spending, borrowing and debt? | IFS](#)

<sup>3</sup> [National Risk Register 2008](#)

<sup>4</sup> [Climate Change Act 2008](#)

### **A Labour Resilience Framework should do the following:**

1. Create a resilience culture at the heart of society, through a programme of education for individuals and families and by including resilience in planning requirements.
2. Overhaul Local Resilience Forum infrastructure, and place the Resilience Standards for Local Resilience Forums on a statutory footing.
3. Immediately develop and implement the Social Vulnerability Index.
4. Require the annual statement to Parliament on civil contingencies and resilience to include an assessment of the impact of risks on different geographical areas and on vulnerable communities.
5. Include representatives from vulnerable and marginalised communities in the Government's advisory group.
6. Locate the UK Resilience Academy outside of London
7. Bring forward Resilience Framework 2030 commitments to 2027 or earlier.
8. Institute the three lines of defence risk management model.
9. Expand the scope of the National Security Risk Assessment to cover longer timeframes and low probability risks.
10. Expand the scope of the National Exercising Programme to cover low probability risks.
11. Within the overarching resilience framework, design robust strategies to address specific high impact risks.
12. Explore international cooperation on resilience.

This submission is made by Labour for the Long Term. For more information, please see our [website](#) or get in touch with Tom Blake at [tom@labourlongterm.org](mailto:tom@labourlongterm.org).

## Submission - A National Objective on Pandemic Preparedness

**A Labour Government can protect our public services and avoid future health inequalities by declaring a national objective to make the UK the best prepared country in the world against future pandemics.**

This aligns with mission four of **Labour's Industrial Strategy** ('Building a Resilient Economy'), which emphasises the role that government has in improving resilience to extreme risks.

We propose that Labour commit to **match the 0.04% of GDP that the Biden Administration intends to spend annually on pandemic preparedness**, which equates to approximately £1.4bn per year. Although a large figure, this is a fraction of the total amount spent by government in combating COVID-19.

This 0.04% of GDP spending on pandemic preparedness should be directed towards:

- Increased funding for UK Research and Innovation (UKRI), enabling joint funding calls focused on pandemic preparedness from the Medical Research Council, the Engineering and Physical Sciences Council and the Biotechnology and Biological Sciences Council.
- Increasing funding for the Liverpool-based Pandemic Institute.
- Funding to incentivise private R&D spending on pandemic preparedness - including using the new Advanced Research and Innovation Agency to create inducement prizes, recognition prizes and advanced market commitments, and launching an additional annual £100m Catalyst Competition focused on priority technologies for pandemic preparedness under UKRI.

### **Why Labour Should Commit to this Objective**

**1. Political.** 88% of the public view disease prevention as a security issue, and one in four view a new global pandemic as a top three risk to Britain's national security. Labour is currently polling eight points behind the Conservatives on security. Labour could address this by demonstrating decisive action on pandemic preparedness.

The COVID Inquiry public hearings begin in Summer 2023 with Module One focused on preparedness. Senior Conservatives are likely to be interviewed, providing media moments for Labour to demonstrate its leadership on pandemic preparedness.

In addition, Labour has already committed to raising national R&D spending from public and private sources to 3% of GDP (from a current figure of approximately 2.4%). The national objective on pandemic preparedness could be a popular use of some of this new R&D funding.

**2. Economic.** COVID-19 cost £360bn in additional government borrowing and £250bn in lost gross value added. UK Debt:GDP ratio rose from 80% to 100%. The risk of a further pandemic is rising, and many existing viruses are far deadlier than COVID. A national objective on pandemic preparedness would therefore likely have a significant net positive benefit to the UK economy in the long run, by increasing the UK's resilience to future



pandemics. Previous research on viruses closely related to SARS-COV-2 (which causes COVID) was crucial for developing COVID vaccines within a short time period.

**3. Scientific.** R&D directed at pandemic preparedness would have additional scientific benefits, alongside increasing the UK's resilience to future pandemics. For example:

- mRNA vaccines developed by BioNTech to combat COVID are being explored for use against cancer.
- Better metagenomic lateral flow technology could allow doctors to immediately identify the bug causing an infection, allowing more specific antibiotics to be given, improving treatment and reducing antibiotic resistance.
- The development of better vaccine platforms, broad spectrum antivirals and low wavelength light may help prevent and treat other conditions, including flu (annual cost to hospitals: £100m), HIV (annual cost to NHS > £500m), hepatitis C (annual cost of productivity losses: £275m) and hospital-acquired infections (annual cost to hospitals: £774m).

This submission is based on the Labour for the Long Term [briefing 'R&D For Economic Security From Future Pandemics'](#). For further information about Labour for the Long Term, please see [our website](#).