

Sport: British Formula 1 Grand Prix

Question for Short Debate

Tabled By Lord Astor of Hever

To ask Her Majesty's Government what assistance they will give to enable the British Formula 1 Grand Prix to continue.

Lord Astor of Hever: My Lords, I declare an interest as unpaid honorary president of the Motorsport Industry Association. I always try to approach this subject in a totally non-political and non-partisan way. I very much

look forward to the response of the noble Lord, the Captain of the Yeomen of the Guard. It is comforting to see sitting alongside him the noble Lord, Lord Drayson. On behalf of the whole House, I wish him the very best of luck in the upcoming 24-hour race at Le Mans.

The Prime Minister has said that we are approaching the greatest ever decade of sport in this country with the Olympics, Paralympics, Commonwealth Games and, possibly, the rugby and soccer World Cups. A world-class British-hosted event that the Prime Minister did not mention was the British Grand Prix, which we have successfully hosted for more than 50 years. BBC TV has gained a huge new audience for its Formula 1 coverage. The audience for this year's first two races increased by 300 per cent compared with ITV's audience last year. UK Sport, on its website, recognises that the British Grand Prix is a "mega" event in the UK which improves the image of UK sport worldwide and establishes the UK as a powerhouse of the sporting world.

Her Majesty's Treasury, in its Green Book, recognises the economic value of this event but also the significant "place marketing effect" on TV and in the media. This has considerable value, as it encourages visitors to return to the place of the event. The Grand Prix at Donington will deliver this effect in relation to East Midlands tourism.

In a show of significant commitment to the new venue, Formula 1 management and Mr Ecclestone have recently extended the agreement with Donington from 10 to 17 years. This is unprecedented. Mr Ecclestone has further helped by, uniquely, agreeing to the fee required being paid in pounds sterling and not US dollars, so giving even more stability to the owners of Donington. This demonstrates the importance that Mr Ecclestone places on retaining a successful British Grand Prix. I pay tribute to him and to another Briton, Max Mosley, the president of the FIA, for the way in which together they have built up international motor racing, from which the British motorsport industry has benefited enormously.

The Prime Minister says that sport raises aspirations in young people and influences society for good. I agree with him. UK motorsport victories around the world raise aspirations that deliver real, well paid British jobs in the engineering and manufacturing sector. These victories are gained through the supreme efforts of many suppliers, some of whom make the smallest part of an F1 car and whose employees celebrate victory just as joyously as the drivers or the team. These small British companies in Motorsport Valley need "their" Grand Prix victories to motivate and enthuse their employees, and their customers, during difficult economic times.

The success of the new Brawn GP team has brought many suppliers back from the brink of disaster. They rely on this team's continuing success for their jobs and future. I congratulate BERR on its proactive assistance, which ensured that this valuable opportunity was not lost from UK industry. The relationship between the annual British Grand Prix and the Motorsport Valley business cluster is vital. The loss of one undoubtedly affects the other. Businesses in Motorsport Valley are fighting very hard to retain their dominant position as motorsport becomes more globalised.

The new upcoming economies of the BRIC nations hold huge potential for small companies within Motorsport Valley, yet developed, advanced engineering competitors, such as Germany, Italy and the United States, are keen to take over this leadership and enter these markets ahead of British companies. Any damage to our international credibility, such as the failure to host our own Grand Prix, would have devastating economic effects.

British Formula 1 teams tell me that if there is no British Grand Prix, they will lose valuable sponsorship. Their major UK-based sponsors want to "live and feel" the Grand Prix. New FIA regulations allow at least two new F1 teams to start up with budgets of £30 million or so. It is vital that we attract these significant investments into Motorsport Valley, not into our competitors' countries.

The challenge to this successful British manufacturing industry is a global one. The MIA and the motorsport industry wish to work together with the Government to meet this challenge and emerge victorious, as we do in other motorsport competition. Silverstone has done an outstanding job for many years, hosting one of the very best Grand Prix in the world, and I congratulate those involved. The Grand Prix will move to Donington but, critically, remain in the United Kingdom. Each year, the British Grand Prix generates more than £50 million of spending and the equivalent of more than 1,500 jobs. The East Midlands region cannot afford to lose such a unique advantage as this.

The new Donington facility adjoins an international airport, a new railway station and a motorway. It is easily connected to both East Midlands and Birmingham airports by the M42 and will become a new international tourist attraction in the East Midlands. The unique race car collection of Donington owner, Tom Wheatcroft, shows the history and development of motorsport valley companies and their F1 cars and sits alongside a new conference centre. It would be a tourist's dream if this could attract some additional cars from the exceptional and rarely seen Ecclestone collection.

We are currently celebrating a young British world champion in Lewis Hamilton, driving for a British team and competing head to head with another outstanding British driver, Jenson Button. Last weekend another British-based team, Red Bull, scored its maiden victory in Shanghai. This is not just an issue of sport, although who can forget Ayrton Senna's wonderful victory at Donington in the rain in the 1993 European Grand Prix? To further showcase to parliamentarians British success in this global industry, which provides so many valuable jobs, the MIA is hosting a motorsport industry day in Parliament on 6 July when industry leaders can meet Ministers, shadow Ministers and other parliamentarians.

We are leaders in a global industry and yet we rely on outdated figures from 2000, stating that sales were £5 billion. Last year I asked the noble Baroness, Lady Vadera, to help the MIA and MSA to update their national economic survey of 2000. That would allow them to work closely with government departments to create a well informed development strategy for the industry and sport. I hope that the regions,

local authorities and relevant departments will support the MIA and MSA to deliver this research.

The DTI motorsport competitiveness panel recommended that the Government should access appropriate resources to ensure that the UK continues to host key world-class motorsports events, such as the British Grand Prix. The Minister for Sport said categorically last November that the Government would give their full support to make certain that we keep the British Grand Prix in this country. That is much appreciated by the British motorsport industry. I know that the Secretary of State at the Department for Business, Enterprise and Regulatory Reform, the noble Lord, Lord Mandelson, is well aware of the importance of this. I have met the owners of Donington Park. They do not seek any free state aid or a government handout. They would like to secure constructive support and positive encouragement from the Government to help them through these difficult times. Mr. Ecclestone has made it clear in a letter that I have seen that should Donington fail to meet its obligations, the Grand Prix would be lost to the UK. With pressure from other countries to join the F1 calendar, South Korea hosting its first race next year and India the year after, it would not be relocated elsewhere here. There would be no British Grand Prix, which would be a disaster.

I urge the Government to give a clear, positive statement of support for the British Grand Prix at Donington and to use all their influence to bring together resources from the regions, central and local government and the respective tourist boards to ensure that Britain hosts for years to come the world's most prestigious motorsport competition. Such a confident statement will influence bankers, investors and overseas companies to confirm their investment plans to support the British Grand Prix and so bring welcome employment and job security to many in the regions and the wider Motorsport Valley business community.

Lord Rooker: My Lords, I put my name down on the list to add to the bipartisan approach of the noble Lord, Lord Astor. We have not compared notes, although many of my points will reinforce what he said. I also want to reiterate our best wishes to my noble friend Lord Drayson. I have only done Le Mans once as a tourist—an anorak. It was incredibly exciting and different. I am sure that the opportunity to race there is almost as good as going as a spectator.

The noble Lord concentrated on F1, but it is not all about F1. There is a huge industry. This is a sport of business and a business of sport. The economic and job creation from this industry is enormous, with 50,000 people employed not in F1 but in the totality of motor sport. There are 25,000 professional engineers. Above all else, what they have of incredible value to business is transferable skills. They can move to jobs in space, aeronautics or medicine—I shall give one or two examples. About £6 billion of investment is involved, more than 50 per cent exports, which is phenomenal exports involving 150 companies. There is a big business out there that we need to nurture.

Of course, more than half the F1 teams are based in this country. They are using leading-edge technology materials. I said in a brief speech in response to the Queen's Speech that the United States' military visited one or two of our F1 companies to assess the materials technology that they are using. The MoD has not been near them, they are so leading edge. It is quite incredible. More than 15 universities are offering motor sport-focused engineering degrees at masters level. As the noble Lord, Lord Astor, said, virtually all the companies are SMEs employing, say, 25 people on average with a turnover of about £4 million, well over 50 per cent

of which is exports, with massive investment in R&D. I understand that the pharmaceutical industry investment in R&D is 19 per cent of sales. Motor sport is investing more and exporting more.

The totality of the industry needs nurturing. It is not looking for subsidy, as the noble Lord said. We are not here today for that. The idea of the motor sport day in Parliament is excellent. One or two other industries have done it; the chemicals industry has a very successful chemicals industry day in Parliament where one can see how chemicals affect our lives as parliamentarians—clean water, new materials, food safety and other aspects.

What is proposed for 6 July is excellent. What would be better still would be if some of the exhibits that were recently in the Science Museum could be on display for the exhibition “Fast Forward: 20 ways F1 is changing our world”. They were phenomenal. The space in the exhibition was less than half the size of the Chamber with 20 examples from interior design to driver-protected space materials now used in satellites for weather measurement technology—a direct benefit to us as a population. The technique used at the pit stop has halved the mistakes in intensive care transfers in some of our hospitals. They went to Ferrari and McLaren to learn the technology of transferring from intensive care after operations without mistakes. There is incredible tyre safety technology that will end up in our vehicles and improve road safety. There is the example of leg braces for orthopaedics and of greener cars with the new flywheel technology which will definitely—one cannot say when—transfer to production vehicles on the road and benefit the environment. This is industry that is working to benefit the environment. There were 20 examples, but one was the baby pod, for transporting sick babies. That is completely new technology absolutely different to what had been used in the past to transfer seriously ill babies between hospitals and doctors. They used the technology of the construction of the F1 car to design a brand new baby pod. Photographs of that could be brought here. It would be quite useful for Ministers, civil servants and others to see those examples, which are something that the industry can be incredibly proud of.

The noble Lord made the point that we want to keep the showcase race in the country. In some ways, I do not really care where it is. That is the reality. I care that it is somewhere that is effective and modern and that has good infrastructure. I could speak about my experience of being stuck in the mud at Silverstone for eight hours, but I will not; that is in the past. It does not matter whether the showcase race is at Donington or Silverstone or is a road race. I have not been to Donington for many years, but what is happening there is excellent.

The fact is that there are more tracks in the world than there are races. There is a limit to the number of Formula 1 races. Most of the tracks will operate at a loss on the race, but the finances go way beyond that, so one has to compete for the races. I understand that France is building a new track on the bank of the River Seine near the Renault plant that is supported by the local French département, so it has public money. Yet the Renault F1 team is based here in England—think how that sticks in the craw of our colleagues in France. Nevertheless, that new track has meant a new railway station, and a fast track to Paris is being put in again with a degree of public money.

I swear that I have not compared notes with the noble Lord, but I too believe that just because the sport is run in effect by two Englishmen gives us no right to guarantee a race here. We have to make that absolutely clear. Mr Mosley and Mr Ecclestone deserve praise for what they have achieved in the sport. I am not aware of many

sporting bodies headed by a British person to great effect and with a big success for the industry; there is no question about that. Given the pressure which the FIA put on the teams to cut costs, I say that they probably saw the credit crunch coming long before the bankers. The costs were astronomically wasteful because they could do anything at high-tech—a nut for £800, I am told. Teams do not all need two wind tunnels. Wind tunnels are incredibly expensive. Pressure was put on those teams long before last year to cut costs to allow more people to compete and to maintain the stability of the team. The effect of that is coming through in what we are seeing now. Both Bernie Ecclestone and Max Mosley showed foresight.

I wanted to say a few words, as an anorak and a spectator, in support of the noble Lord, and to point out that we are talking about a business. It is a sport as well, but the industrial, economic and job ramifications are enormous and go way beyond the normal sport headline. That needs to be appreciated. We are not talking about massive companies, although the team owners and the motor companies may be. The vast majority of companies involved in this sport are small and medium-sized enterprises, which employ incredibly highly skilled engineers, male and female. That is what we need to nurture, because that is what we can sell to the world. That is our unique selling point. We need to keep the showcase and the rest of the infrastructure together, because that is how we will make good progress.

Lord Selsdon: My Lords, I had just stood up when a ghost passed over my grave. I am not quite sure why, but I am going to say something slightly different from what I had planned to say, because the noble Lord, Lord Rooker, has done that. Motor racing and motor sport are part of British culture. We are embedded in them, as was your Lordships' House historically.

I go back perhaps 60 years to when I was minding my own business in the second form of my prep school. The noble Lord, Lord Geddes, the noble and learned Lord, Lord Howe, and the noble and gallant Lord, Lord Bramall, were at the same school. The French master, Major Hunter, who had just got back from the war, had lost part of his skull and had a metal plate—we always remember that—suddenly got up and said, “Vous avez gagné le Mans”; “You’ve won le Mans”. I was not quite sure what he was talking about. He showed me *Le Monde*, and there was a Ferrari with the name “Lord Selsdon”. I was not sure that my father was a Lord at that time; I had hardly met him. About five days later—we had asked him to come to the parents’ match at cricket—I looked around and saw out of the window a red sports car with “22” on it. We were so interested in the car that we did not notice the man who had driven it. He came up and introduced himself; he was my father. As he had been a fast bowler at Winchester, he said that he would open the bowling. He bowled an aerial wide, which was pretty distressing for me. I had been a wicket-keeper, and the parents had not brought one, so I was keeping against my own father. He then bowled another wide, said he had trouble with his knee, and was taken off. My friends remembered that moment and years later one, whose name I had probably better not mention, told me it was the defining moment of his life. He went on to become the leading fundraiser for Williams.

When you do not know about things, however, you find out later. I had not realised that strange ingredient was there not only before the war, but right throughout history. I think that Brooklands first opened in about 1903—it may have been a bit later—but you were not allowed then to race on the roads in England, Scotland or Wales. The tourist trophy was therefore established effectively to be in Ulster or the Isle of Man. After the First World War, there was quite a delay; but in 1922, the BRDC or the RAC said that it would again run that trophy in the Isle of Man. My father, who was still at

school, managed to sneak out; he entered with a Fraser Nash. His mother was so keen on it all that one of the family cars that she had bought, a 1903 Mercedes, had raced at Brooklands in 1907 or something. Together with that went a Panhard and a range of other cars. His racing career, which I did not know about, followed on. So when you look back into your own history at someone you did not know, who was your father, you become extraordinarily interested.

While thinking of what he did during the war, I realised that the technology of motor racing led to the combined services having the best drivers ever of fast motor-gunboats. As those in the Navy said, "If they can drive fast cars, they can drive fast boats". A whole range of those MGBs and MTBs were driven by racing drivers who knew each other, got on very well and went back after the war to continue their motor racing. Before the war, however, there were great cars with names that we had never heard of; one of the fastest in the world, and the first to do 100 miles an hour, was the Prince Henry Vauxhall. Vauxhall was racing cars in those days. There was also Sunbeam, and who should come along but the Shrewsbury family—the Talbots—who managed to create that great car which the French would call a "Tal-beau".

That is all by way of background, but to come on to it: in those days, when you could not go and race on the roads, you could race on the sand—at Skegness and Pendine Sands. You could also do hill climbs and speed trials until 1925, when there was a fatal accident and everybody said that it could only be done on the road. Brooklands then came back to itself; I think that the 1926 Grand Prix was held there. They had 110 laps of a 2.616 mile circuit; you went up the various bends and did the finishing straight. There was nowhere else to go. That effectively led to the opening of Donington in 1933. All of that time the British, who did not have many cars, were using some old British names to try and attract the continental drivers and cars; but trying to attract them to Ireland or the Isle of Man meant a double sea journey. To some extent, that led to the opening of Donington, so there was only one route.

The British were really the best drivers and, in a way, had a part in the best designers. Some of the mechanics, however, were French. They were always brought up with a screwdriver in one hand and a spanner in the other; you could stab someone with one and beat them over the head with the other. Now, before the war, my father was suddenly told to go and buy a couple of Lagondas. They entered them and came fourth and fifth, or third and fourth. I found that someone had bought that Lagonda V12, which took 50 gallons of fuel, and asked me to go and look at it. It had been restored and was on the market at a total of £3 million. I wish that my father had kept it. He went on to buy a Ferrari, which he bought at the motor show in Paris because Enzo Ferrari did not want his cars to race. He then bought one of the first Formula 1 cars.

It is strange, but I had to pay my last school fees myself because, unfortunately, motor racing had shortly consumed our entire family wealth. The other day I calculated my father's success. He ran two racing teams in France, including Ecurie Ecosse. The coat of arms was always on it. I could not understand how there was an ability to get money over to France when there was a £25 limit. I realised that we were probably in the midst of an exchange between the motor-racing community from before the war and those who were involved in special operations. Anyway, there seemed to be no shortage of money.

With the racing Dukes, including the Duke of Richmond, and the Bentley Boys and others, there was a culture that led to a need to improve one's car. Suddenly, one day, I found that my father had bought HRG and Singer engines. I was told that I

must not motor-race and, if I agreed, that I would get a car. I then got one of the first small Austin-Healey cars which I took down to HRG. The compression ratio was raised through the roof. It would go like something off a shovel.

In those days you needed the Kingston bypass because the motor-racing brigade would go from Little Jack in Berkeley Square to the Ace of Spades pub. All the motor-racing people would be there and they would all know each other. Stuart Proctor would be the RAC scrutineer from HRG. Jack Brabham was next door. Over time, I learnt that these small people had the ideas. When I became chairman of the export

side of the Engineering Industries Association, I found that I was with these people—originally with 7,500 engineers. By that time I had bought a second-hand Aston Martin and could not afford a new gear-box. But one of them said to me, “Take it down to Bristol and I will take the bits apart. I will cast something”. He gave me an extra speed on the gear-box, which I could not believe.

Another person realised that if cars were forced closer to the ground, they might have better handling. But he knew that they would bump, so he put a titanium plate underneath, which is why they made a lot of sparks. A car body chap worked out that the design of the car could give that down thrust just by shaping the air, which would also give better rolling. Now as I think of all the new bits which you can stick on to the back of a car to change it and to put McLaren out of business, I remember all of those small people. I really loved what they would tell you. They taught me physics that I did not know. They taught me everything and all about metals. But they were all friends and competitors. This created a culture in England where everyone wanted to have a car. The culture is more important than people spending a mass of money on promotion. Because of that, on my birthday, I suddenly found that my son had given me a weekend and eight laps at Le Mans as a present. I might do it while the noble Lord, Lord Drayson, is there.

I have spoken about the culture and the fun. This is sport. It is not a boring activity. It is enjoyable, although the wives do not like it because they have things on their ears. But we are superb and we should remain superb.

Lord Addington: My Lords, I feel something of an intruder in this debate. I jokingly said to the noble Lord, Lord Drayson, “Oh, it is a pity you cannot speak in this debate”. I realised that I did not want him to speak: I wanted a tutorial from him before I joined in this debate. To be perfectly honest, motor sport is not the sport that rings my bell. I will admit that straight away and risk getting lynched on the way out of the Chamber. It does not really work for me. I have always been acutely aware that my own sport, rugby, is sometimes described as grown men fighting in mud, as it was by a small lad who was watching. If we are talking about it and your eyes glaze over, be patient with us.

Undoubtedly, the economic benefits of motor sport are unarguable. Not long ago, we had a debate on tourism and I spoke about sports tourism. The one event that encapsulates the idea of sports tourism is probably the Grand Prix. A huge high-tech circus arrives, with more glamour than any other sport can manage. I say that with a degree of envy. There is several days of build up, followed by one huge event with massive coverage. It then moves on. It is the ultimate, one-off show. I have been reading the comments made by Bernie Ecclestone about the preparations for the Olympics, but the comparison falls down because the Olympic Games are slightly more than a one-off show since they are a culmination of things. But in terms of individual touring shows, F1 probably represents the epitome of the great show.

The noble Lord, Lord Rooker, proceeded not only to shoot the fox I was after, but to blast it full of holes because of the high-tech, high-end engineering that undoubtedly goes with Formula 1 and motor sport in general. The examples I found about the level of investment in technology and rate of improvements achieved can be equalled only by the arms industry during times of war. It is a case of seeking out what is new and keeping up the pressure to make improvements. All sports do this, but the application that goes into developing the best training shoe or a jersey that does not absorb sweat and keeps you warm is not as great as that which goes into creating a high-tech engine, and will not be as transferable to other things. Technological development takes place because of the pressure to perform. The noble Lord covered this very succinctly, but the fact is that if a machine is more efficient, it helps the environment through improved fuel economy, safer design and so on. When one thinks about it, it is clear that if Formula 1 were not achieving such improvements, someone would be getting it very wrong. What we do know about F1 is that the pressure to perform and achieve is massive.

I am told that other types of motor sport have a much higher profile outside Great Britain. Whereas F1 is our thing, other forms of racing in America are very popular. There are probably instances of cross-fertilisation of technological development between the different engineers; indeed I am sure of that because why should it not happen? There is a symbiotic relationship between an enormous event in which the vast majority of the population has at least a passive interest and the wonderful industry which backs it up. That is the real prize. Even if you hate cars going round and round making a lot of noise, as someone pretty close to my persuasion put it, you cannot deny the value of the industry that supports them.

The real question we have for the noble Lord, Lord Davies, is at exactly what level do the Government feel that they should come in with offers of support? Some of the briefing I have received states that F1 takes pride in the fact that it does not need a huge injection of money. What do the Government feel they should be providing in support of the industry? Is it more investment in education at the higher levels, such as in masters' degrees and PhDs in engineering? Should we be encouraging support for the industry in that way? In further education, we have to ensure that the service industries are able to support and enhance not only Grand Prix but other motor sports events to ensure that people enjoy the festival atmosphere that such events generate.

The noble Lord, Lord Rooker, mentioned getting his car stuck in a field. That is the sort of thing you laugh about 10 years down the line, but at the time people say, "I'm not going there again". The support structure must be in place because people who are not that committed to the sport want to attend because it is a "nice day out". Most sports have learnt how to put on a good show. What are we doing to make these events something that people want to go to as of themselves? An example of another sport would be rowing. Someone said that Henley could survive without rowing, but not without alcohol because it is a fun event. How are we helping motor sports to create fun events to attract those not interested in the core activities?

I want to say to those involved in the F1 motor industry that they do have good spats. Long-running arguments are reported in the papers and offer an example to the rest of the sporting world by showing that you should try to have your in-house disagreements in private. I will not go into the arguments that went on between Silverstone and Donington Park except to say that when we are talking about such huge sums of money, it might just be best not to claim that you are being done down quite so obviously. When very rich people involved in a certain world begin to argue

among themselves, they should appreciate that the rest of us do not really want to know about it, and if we do know, we will probably just laugh.

Lord Luke: My Lords, I thank my noble friend Lord Astor for introducing this interesting debate. I do not know whether noble Lords are aware of what a great ally of motor racing he is. He has made an exceptional appeal today and I hope the Minister will be able to reassure us.

British Formula 1 racing should be entering a golden period in its history today, with British-built cars dominating and two British drivers as serious challengers for this year's championship. What recent discussions have the Minister and the Government had with Formula 1 authorities about the retention of a British Grand Prix. As my noble friend said, it would be an outright disaster if we were to lose the international and engineering challenge of a British Grand Prix which we have so successfully hosted for more than 50 years.

My noble friend has met the owners of Donington Park, as he said, and it is clear that they do not seek any free state aid or any handout. They would, however, like to secure constructive and positive support and encouragement from the Government to help them through these difficult economic times.

The relationship between the annual British Grand Prix and the Motorsport Valley business cluster is vital. The loss of one would undoubtedly affect the other very seriously, as my noble friend said, and any damage to our international credibility, such as a failure to hold our own Grand Prix, would have devastating economic effects. Does the Minister appreciate also that sponsorship of individual Formula 1 teams is likely to be severely curtailed as major UK-based businesses would almost certainly withdraw their support?

I have been following motor racing for over 50 years and the first British Grand Prix I attended was, I think, 50 years ago at Silverstone. Therefore I am extremely sorry at the turn of events which has occurred. However, that does not mean that I do not support Donington; of course I do. I believe that an up-to-date, first-class circuit, together with some extra facilities that undoubtedly Silverstone does not possess, will have the same, or possibly even greater, encouraging effect on the businesses associated with motor racing, which will, I believe, stay in the UK and indeed in the East Midlands.

Of course, there is also the ongoing effect of a successful British Grand Prix year after year drawing in more and more foreign companies in high technology and hugely benefiting the economy of this country and, specifically, the East Midlands.

A recent Royal Academy of Engineering Survey of over 400 engineering companies revealed that they are already finding it difficult to recruit graduate engineers and anticipate even more skills shortages in the future. What recent discussions has the Minister had with his colleagues in the Department for Children, Schools and Families about encouraging the take up of subjects such as science and engineering? Does he accept that if we fail to achieve a change, the motor sport industry, which is worth some £5 billion to our economy, will be forced to relocate abroad regardless of whether we still have a British Grand Prix?

I want from these Benches to strongly support my noble friend's efforts to persuade the Government to give a clear and positive statement of support for the British Grand Prix at Donington and to use all their influence to ensure that Britain continues

to host a Formula 1 Grand Prix. As my noble friend said, if such a statement is made, it will undoubtedly influence bankers, investors and overseas companies to confirm their investment plans, and we would very much welcome this.

Lord Davies of Oldham: My Lords, I am grateful to all noble Lords who have spoken in this debate. I hope that my speech will be an answer to the last question that the noble Lord, Lord Luke, addressed to me about the extent to which the Government give our full support to the Grand Prix at Donington and to the motor sport industry. The noble Lord asked whether the House was aware of the contribution of the noble Lord, Lord Astor, to that industry. We are all aware of it.

I am personally grateful that this very same debate nearly 12 years ago gave me the chance to make my maiden speech, in which I sought to develop exactly the issues that my noble friend Lord Rooker developed today: the significance of this industry for high-tech engineering, the significance of the development of skills in this country for engineering and the importance of our being aware that in education we need to address ourselves to science and engineering if we are to be a successful country. I did not speak with quite the eloquence or insight of my noble friend, who is a former engineer and therefore has the advantage of me. I merely produce engineers; both my sons are engineers, one of them in the motor industry. I do not have quite the insight that my noble friend illustrated today, but I subscribe very much to his remarks.

We are all grateful to the noble Lord, Lord Astor, for introducing this debate. I am also grateful to the noble Lord, Lord Selsdon, who took us down memory lane. The noble Lord will forgive me if the Government do not go too far into the past but look to the future; after all, this debate is about the degree of future government support for the industry.

It is clear, though, and the noble Lord certainly did us a service in these terms, that the Grand Prix has a long and glorious tradition in this country and we produce great world champions, from Mike Hawthorn right through to Lewis Hamilton last year. While the Grand Prix is a regular occurrence in this country, it is no less a part of that exciting concept of the decade of sport that the Government are looking to foster, and to which the noble Lord, Lord Astor, made reference in his opening remarks, along with great events such as Wimbledon, the Six Nations, the FA Cup final and many others. It helps to showcase British talent and expertise alongside the world events that we have attracted and are hoping to attract.

We want to see success for the Grand Prix over the next 10 years and far beyond. I am grateful for the contributions today that emphasised not only the enormous thrills that the sport brings to a high percentage of our people—the noble Lord, Lord Astor, referred to television figures, and we should recognise how striking the interest in the Grand Prix is, represented by the numbers of people in this country watching the BBC broadcasts this year—but the wider issue of the importance of the Grand Prix and the industry to our economic well-being. It is important that Britain is able to stand tall in the world of engineering and to emphasise that it can enhance, develop and cultivate the high-level skills that guarantee that we will be at the forefront of research and technology. That is an important part of the success of the British motor racing industry.

I am also grateful to the noble Lord for referring to my noble friend Lord Drayson, who we all heartily hope will have a wonderful time at Le Mans. I feel a bit as if I am speaking about cricket while I have Kevin Pietersen sitting next to me, or speaking

about soccer with Steven Gerrard here; it is quite clear whom the House would prefer to listen to. But my noble friend has significant interests and, as the House will readily appreciate, when speaking from the Dispatch Box the Government have only one interest: the governance and welfare of the nation. That is why I am deputed, in my rather inadequate stance, to have my noble friend sitting alongside me—but I assure the House that I have had the benefit of his advice in preparing my response to this debate.

We have all been excited, particularly this year, because of the success of British-based teams and drivers in the first three races. We all know that it is a long season and that there will be many changes. Climatic conditions are likely, one would expect and hope, to be a little different from those in Shanghai in the majority of races. We want to create an environment in which our teams prosper and, of course, we want to ensure that Britain continues to host Grand Prix.

Today's debate gives me a chance to set out the Government's position. The British Grand Prix is clearly one of the most exciting events in the British sporting calendar and is a key sporting event in the Prime Minister's call for an amazing decade in sport. If the Grand Prix were not staged, it would be to the detriment of that concept. We have some of the most passionate and well informed fans in the world, who do not just watch the race on television but, as my noble friend Lord Rooker indicated—I know that the noble Lord, Lord Astor, and other noble Lords attend Grand Prix—attend such events. We are all too well aware that the British Grand Prix is the biggest sporting event in the UK in terms of attendance. Even the new Wembley Stadium holds only 90,000. One or two footballing interests are represented in the House; the noble Lord, Lord Lyell, will know that football can manage 90,000, whereas the Grand Prix can manage three times that number. We are aware of the very keen interest displayed by the British public in Grand Prix.

Ministers and officials across Whitehall have done all that they can to support Silverstone in its attempts to retain the British Grand Prix. We helped through the East Midlands Development Agency because we were anxious about the future of the Grand Prix. There has been significant investment, not just from the motor industry; there was also substantial investment in the road that facilitated access to the Grand Prix at Silverstone. We stand ready to assist in that area.

We are aware that there are some reservations about Donington. The track looks fine, but there are reservations about facilities. There is still the question of raising capital, although our intelligence is that we can be optimistic that the investment in Donington will make it a huge success. However, should anything go wrong on that front, it is important that Silverstone is available to resume its position, because the essential thing is that we must not lose a British Grand Prix.

Donington will and must succeed. We are putting all our support into it. My right honourable friend Geoff Hoon, the Secretary of State for Transport, visited Donington recently. He is also an east Midlands Member of Parliament, which is no disadvantage when one is talking about an event that has such a significant impact on the local economy. It is important that we recognise our support for Donington. Over the past five years, we have invested £11.5 million in the motor sport industry through programmes such as the learning grid in education and training initiatives, the establishment of a motor sport academy and the energy efficient motor sport programme to put energy efficiency at the heart of the modern sport. That gives great relevance to what we are all interested in—the improved energy efficiency of all transport in the United Kingdom.

We all recognise that the commitment of 10 years for the Grand Prix is a vote of confidence that Donington Park will prove to be up to the mark when the final tests are made and that we will be in a position to ensure that the circuit and the facilities are at the highest level.

I have been reminded that one of the most significant of all victories was Ayrton Senna's in 1993, which has always won great plaudits for the skill deployed on that occasion in somewhat difficult weather conditions. Like everyone in this House who knows anything about motor racing, I have the greatest respect for Ayrton Senna, but I hope that the first Grand Prix at Donington will have a British winner. That will certainly enhance the occasion for all of us.

Donington Park has a great history of hosting motor sport events and currently attracts large numbers of people. There is substantial investment required to bring it up to the level now required for a modern Grand Prix. We understand from ING, which is not an innocent of the world in raising money for major sporting venues, that the money will be raised for Donington and the necessary resources are in place. The track is not the issue. The issue is the costly additional facilities required.

We certainly stand by to help—not directly financially. Motor sport is an independent operation in this country, as most sports are. The Government can give degrees of support and help, as with Silverstone in the past. However, no one in this debate or in the industry argues for direct state support. We do not want a state-sponsored motor industry, but the Government can give necessary assistance and support in judicious ways, particularly by emphasising how important the industry is to the development of our society and economy. I continually emphasise that the Government will do all they can to build upon the high levels of technology deployed by the industry. In these days of loss of confidence, which is bound to attend difficult economic circumstances, the British people ought to take pride in an industry which is so dominant in the world. My noble friend Lord Rooker emphasised that seven out of the 10 major teams are based in the UK. That is only possible with a high level of research in the industry. It also means that we must produce engineers from higher education who can play their part.

The noble Lord, Lord Addington, asked specifically whether the Government would give support. The Government will continue to give the support that we have done in the past. We see our role as facilitating and encouraging the Motor Sports Association and the owners of Donington to be proactive about attracting money from various funding arrangements to guarantee the finances they need. The Government also have a part to play with skills, education and infrastructure. My noble friend Lord Rooker identified how significant the industry is, with the number of companies involved in motor sports and the spin-offs from the technological breakthroughs it makes. I emphasise that the industry has an annual turnover of £7 billion, with 50,000 full- and part-time workers, including 30,000 engineers. That is a significant part of our economy. It would be a blow if the Grand Prix were not held in this country, and we will do our best to ensure that it will be. Officials and Ministers have been co-operating with local interests to ensure that Donington is successful.

I am conscious that I have strayed a little beyond my time; I apologise to the House. We want to see the continuation of the proud tradition of the British Grand Prix in this country. We are delighted that Donington has secured the right to host this event for the next 10 years. That is a real vote of confidence and gives Donington—

Lord Astor of Hever: My Lords, I said in my speech that it is now 17 years.

Lord Davies of Oldham: My Lords, I am sorry, I misheard the noble Lord. The 17-year period is an added incentive for those who wish to invest in Donington. As I indicated, we stand ready to help in all practicalities.

The decision on the Grand Prix was taken by those with private interests in the sport, but they should not have the slightest doubt that the Government regard the Grand Prix as a very important part of the sporting calendar. It is part of our decade of sport and we trust that it will continue to be a feature of the British sporting landscape over the next decade and beyond. On behalf of the Government, my colleagues and fellow Ministers, I accept the invitation to the event on 6 July. I know that the motor sport industry will put on an excellent show demonstrating its value to the nation and the excitement of this dramatic sport.