PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

ENTERPRISE BILL [*LORDS*]

Seventh Sitting

Thursday 25 February 2016

(Morning)

CONTENTS

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Monday 29 February 2016

STRICT ADHERENCE TO THIS ARRANGEMENT WILL GREATLY FACILITATE THE PROMPT PUBLICATION OF THE BOUND VOLUMES OF PROCEEDINGS IN GENERAL COMMITTEES

The Committee consisted of the following Members:

Chairs: Sir David Amess, †Ms Karen Buck

† Argar, Edward *(Charnwood)* (Con)
† Barclay, Stephen *(North East Cambridgeshire)* (Con)
† Bardell, Hannah *(Livingston)* (SNP)
† Brennan, Kevin *(Cardiff West)* (Lab)
† Brown, Alan *(Kilmarnock and Loudoun)* (SNP)
† Churchill, Jo *(Bury St Edmunds)* (Con)
† Creagh, Mary *(Wakefield)* (Lab)
† Esterson, Bill *(Sefton Central)* (Lab)
† Flint, Caroline *(Don Valley)* (Lab)
† Frazer, Lucy *(South East Cambridgeshire)* (Con)
† Howell, John *(Henley)* (Con)
† Lewis, Brandon *(Minister for Housing and Planning)*
† McKinnell, Catherine *(Newcastle upon Tyne North)* (Lab)
† Mackintosh, David *(Northampton South)* (Con)
† Morden, Jessica *(Newport East)* (Lab)
† Pawsey, Mark *(Rugby)* (Con)
† Solloway, Amanda *(Derby North)* (Con)
† Soubry, Anna *(Minister for Small Business, Industry and Enterprise)*

Glenn McKee, *Committee Clerk*

† attended the Committee

Public Bill Committee

Thursday 25 February 2016

(Morning)

[Ms Karen Buck *in the Chair*]

Enterprise Bill [*Lords*]

11.30 am

The Chair: Welcome back for the penultimate sitting of the Committee.

Clause 35

Restriction on public sector exit payments

Amendment proposed (23 February): 103, in clause 35, page 50, line 38, at end insert—

"( ) Regulations shall make provision to require prescribed public sector authorities to consider, prior to making a public sector exit payment—

(a) whether the payment being paid is appropriate; and

(b) whether the payment would provide value for money." .—*(Kevin Brennan.)*

This amendment would ensure that when considering staff for exits value for money is considered.

Question again proposed, That the amendment be made.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): It is a pleasure to serve under your chairmanship again, Ms Buck. I think that we had come to the point in the debate on the amendment where all that was left was for me to respond. The amendment is unnecessary because it is already a fundamental duty for the public sector to ensure that exit payments are value for money and are made in the most appropriate manner. The cap on and the additional scrutiny of such payments will encourage employers to act with discipline and proportionality when considering public sector exits and will help to ensure that good management practices are embedded in any decision. It is on that basis that I ask hon. Members to vote against the amendment if it is put to a vote.

Kevin Brennan (Cardiff West) (Lab): Ms Buck, as this will be your last opportunity to chair this Committee in your first venture into chairmanship, may I say how greatly we have enjoyed your chairmanship of the Committee here, down by the river? I know you have just got your Bruce Springsteen tickets so I thought I would mention that.

The Chair: You are kind, Mr Brennan.

Kevin Brennan: Although we have also hugely enjoyed Sir David's chairmanship, as Sinead O'Connor once sang, "Nothing compares to you". *[Interruption.]* I am showing my age, as the Minister quite rightly says.

Amendment 103 is a probing amendment that makes an important point about value for money. As I said on Tuesday, we are not convinced that the clause will ultimately bring value for money in the public sector or, indeed, among some workers in the private sector. We want to discuss that point, which is coming up next. On that basis, I will not ask my hon. Friends to press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 105, in clause 35, page 51, line 7, at end insert

", including payments relating to employees earning less than £27,000 per year"—*(Kevin Brennan.)*

This amendment would provide that regulations may exempt from the public sector exit payment cap those earning less than £27,000.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 10.

Division No. 5]

AYES

Bardell, Hannah	Esterson, Bill
Brennan, Kevin	McKinnell, Catherine
Brown, Alan	
Creagh, Mary	Morden, Jessica

NOES

Argar, Edward	Lewis, Brandon
Barclay, Stephen	Mackintosh, David
Churchill, Jo	Pawsey, Mark
Frazer, Lucy	Solloway, Amanda
Howell, John	Soubry, rh Anna

Question accordingly negatived.

Kevin Brennan: I beg to move amendment 123, in clause 35, page 51, leave out lines 20 to 24 and insert—

'(10) Nothing in this section applies in relation to payments made by the bodies listed in NS3."

This amendment would exclude employees of companies listed at NS3 operated by the private sector from the scope of the proposed cap.

The Chair: With this it will be convenient to discuss new schedule 3—*Bodies excluded from the restrictions on public sector exit payments*—

"Payments made by the following bodies are excluded from the restrictions on public sector exit payments—

(a) Sellafield Ltd

(b) Westinghouse Springfields Fuels Ltd

(c) Magnox Ltd

(d) National Nuclear Laboratory

(e) International Nuclear Services

(f) Atomic Weapons Establishment Ltd

(g) Low Level Waste Repository Ltd

(h) Dounreay Site Restoration Ltd

(i) RSRL Winfrith and

(j) RSRL Harwell "

See amendment 123.

Kevin Brennan: I congratulate Government Members on voting in the way they intended on that occasion.

Amendment 123 would exclude employees of the companies listed in new schedule 3, which are operated by the private sector, from the scope of the cap proposed in clause 35. Employees of Magnox and similar companies across the nuclear estate and elsewhere are employed by

companies that operate in the private sector, so why are they being included in and affected by a measure that the Secretary of State told us on Second Reading is designed to hit public sector fat cats? Those employees never imagined for one second—one can understand why—that they were covered by the Conservative party's manifesto commitment to cap public sector exit payments.

We raised that issue on Second Reading, and I know the Minister has subsequently met with Members of Parliament to discuss it further. Hopefully, by the end of the debate, we will have a solution and those employees will be excluded from the exit payment cap. These companies are in a unique position: they are mostly engaged in managing the safe closure of nuclear facilities, which is obviously a hugely important task for our country.

Mary Creagh (Wakefield) (Lab): Does my hon. Friend agree that the recent terrible and tragic explosion at Didcot shows just how difficult and dangerous such decommissioning work is? That was a conventional gas-fired power station being demolished. I am sure the sympathies and thoughts of the whole Committee are with those affected and their families. The terrible tragedy that befell workers there shows what a difficult, dangerous and technical job they are doing. A great deal of specialist expertise is required to do it safely. Of course, the risks of a nuclear decommissioning site are exponentially increased because of the risk of anything escaping out into the wider environment.

Kevin Brennan: My hon. Friend is right. Exclusions have been made for those who serve our country, and I think these workers also serve our country in what they do—which is, as she said, difficult, technical and sometimes dangerous work.

Jessica Morden (Newport East) (Lab): I commend my hon. Friend for the argument he is making in support of Magnox workers. Those workers include a constituent of mine, who rightly pointed out not only that she was extremely shocked to find herself included in these redundancy terms but that, if we change people's terms and conditions at this stage, the industry is very much threatened by losing the vital skills we need to do this decommissioning work.

Kevin Brennan: I said earlier in the Committee that Government Whips should be seen but not heard, but of course that convention does not apply to Opposition Whips in Committee, as all Committee members will know. That is particularly useful, as it allows my hon. Friend to raise a constituency issue of such direct importance to what is under discussion. I am sure her constituents will take note of what she is doing in the Committee to defend their interests.

As I said, these companies are in a unique position. They are mostly engaged in managing the safe closure of nuclear facilities, which is a hugely important task that is very difficult to manage. By its nature, it involves working towards a specific end date, at which point the employees will in effect make themselves redundant. They are in a particularly different category. To get someone with the necessary skills to commit to that task when they are in, say, their early or mid-30s, we need to ensure that they know they will be provided for if they successfully complete their task by the time they reach their mid to late 50s, when finding re-employment in a similar role with their skills would be potentially very difficult.

As we have heard, if these companies cannot afford the packages necessary to compensate someone for the loss of their role when their task is completed, the companies will find it extremely difficult to prevent these highly skilled workers, who were mobile in earlier parts of their career, from simply leaving. That, in itself, will ultimately drive up the costs and risks associated with decommissioning and exacerbate an already difficult skills shortage in the industry.

Legislating now, as the Government are doing, to override long-standing arrangements in the nuclear sector where the employees involved have kept their end of the bargain faithfully, is pretty unconscionable in my opinion. How can it be right that workers who have stayed with a company to deliver successfully the safety commissioning of a site see their promised redundancy compensation reneged on by the Government when it is due to be paid?

The Treasury justification for applying the cap to the employees of those companies, as I understand it, is the old chestnut of the Office for National Statistics judging them to be publicly controlled. That technical, statistical designation, however, does not mean that applying the cap to those workers is either fair or necessarily value for money for taxpayers in the long term. It is unfair unilaterally to strike down agreements between companies and their employees. It will drive up overall costs for decommissioning as recruitment and retention in the relevant sectors take a hit. There is also no proof that taxpayers will receive any benefit, as the private operators of the companies often receive higher incentive payments under their contracts as a result.

Unless the Government decide to act on this, and I hope they do, employees in the sector will note that when it comes to pension provision and other issues the Treasury has excluded them from the public sector, but it considers them within scope for the cap in the Bill. Proceeding with imposing the cap on the employees of those companies will store up significant industrial relations issues. One can only guess how they will feel —actually, we do not have to guess, because we know from the evidence that we have received, which I will come on to in a moment. How will they feel when they discover that the Secretary of State considers them to be fat cats requiring legislation to limit their payments, even though they are employed by the private sector, while the Government absolutely reject any limit on anyone working in the banking sector? Why is a privatised banker not given the fat-cat treatment by the Secretary of State, but nuclear decommissioning workers are? Yet again it seems to be up with the bankers and down with the workers with this Government. What a shocking value-free zone the policy is, if the Government stick to it and do not accept that they have got it wrong and should support our amendment.

We have received strong representations from Magnox workers and from the trade unions that have represented them so ably. Other companies in the sector are covered and they are referred to in new schedule 3. For the record and for the sake of inclusivity in my remarks I will name those included in the new schedule: Sellafield Ltd, Westinghouse Springfields Fuels Ltd, Magnox Ltd, National Nuclear Laboratory, International Nuclear

[Kevin Brennan]

Services, Atomic Weapons Establishment Ltd, Low Level Waste Repository Ltd, Dounreay Site Restoration Ltd, RSRL Winfrith and RSRL Harwell. Note that none of those companies is called Fat Cats Ltd.

Mary Creagh: My hon. Friend made a good point earlier comparing the workers and the bankers. Does he agree that the list he has just read out is an interesting hangover from the privatisation of the electricity grid and the national nuclear authority? Some risks can only be borne by Government. One of those risks is the premature exit of a skilled, competent workforce equipped to deal with nuclear materials and their safe disposal. There are strong arguments for the Government to continue to bear the redundancy risk, or to allow the workers to be classified—I am not sure whether they are classified as being state or private sector workers, but the point is, when we privatise things, some risks only Government can bear, and that is what the amendment is all about.

Kevin Brennan: My hon. Friend is right. I am sure that the Minister will confirm that that is why those companies fall in scope, but that does not stop the Government from deciding actively to exclude them from scope. As I said earlier, they are radiant with the lawful power to do that; we are not, but they can do it. I encourage the Minister to commit to doing so in her response.

The Committee has formally received dozens of letters from Magnox workers. I have some here and I am sure hon. Members have read them. I congratulate the workers on the quality of representations they have made to the Committee as well as the trade unions. Kevin Coyne of Unite, whom I met, has co-ordinated joint union meetings to campaign on the issue. We are reaching the last stages of the Committee so there is not time to read all of the letters out, but they have been entered formally as evidence to the Committee, so they are available for people to read.

11.45 am

I will give a couple of extracts. I will read from a letter that all Members will have had the opportunity to read because it was formally submitted. This is from Ian Milligan who works at Bradwell as a waste engineer. He said:

"I should like to start with a definition quoted from the Oxford English Dictionary, the dictionary that has sat on my desk for the duration of my career within the nuclear industry which has spanned over 20 years. The question I had was, what does the term a fat cat infer? The answer: a fat cat—a wealthy person, a highly paid executive or official.

I and many of my work colleagues employed by Magnox Ltd are likely to be 'caught' in the proposed Exit Payment Cap of the Enterprise Bill, which I and my work mates across the board were shocked to discover as we are ordinary working class people and do not consider ourselves to be fat cats by any stretch of the imagination."

That confirms the understandable anger that currently is, and in particular will be, out there if the Government do not act appropriately to exclude those workers from the payments cap proposed in the Bill.

I will quote a paragraph from one more letter—that will suffice, but there are many more that we could quote and other Members may have other examples to draw our attention to. It is from Maldwyn Owen from Ynys Môn. My hon. Friend the Member for Ynys Môn (Albert Owen) also campaigns on this issue, spoke at Second Reading and met the Minister for a discussion with Members of Parliament from across the House. Maldwyn, who works for Magnox at Wylfa power station in north Wales, sums up the impact of the proposed exit payments cap. He said:

"So, as it stands, what the Enterprise Bill £95K cap does is actually hit the long serving average to moderately paid worker by denying him/her tens of thousands of pounds they are entitled to. For example: If a 50 year old individual with 31 years' service, earning £30,446 pa was to be made redundant from Magnox Ltd their pension would amount to £12,000 pa. The pension fund would require 13 years' payment of £156,000, less some discount (this does not go to the person), it is a pension requirement. So, the employee immediately loses one third of their pension as well as getting no Redundancy pay-out. Hence, the employee with long service is being punished."

Whether the figures are entirely right, the point is that the principle is there. Agreements had been made, guarantees were given and this provision, we were told, was to hit public sector fat cats, not employees of private sector companies working in this industry. Colleagues may have other examples.

I presume that the Minister has read all the letters from the workers, so what is her reaction to them and the representations she has received? We want to hear not just her own views—sometimes she shares them with us—but what the Government's position is and what they will do. I encourage her to remove the cap, which is the right thing to do.

We tabled the amendment, which would exempt those companies from the Bill. If the Minister has another way of guaranteeing that they will be exempted, we will be interested to hear that. Otherwise, I ask her to listen to the strong and powerful case made by those private sector workers and agree to the exemption to exit payments caps for companies listed in new schedule 3.

Alan Brown (Kilmarnock and Loudoun) (SNP): I thought the hon. Member for Cardiff West set out the logic behind the amendment very well and I agree with all the comments he made. As he said, we have all received representations on this issue; in fact, there was the feel of a 38 Degrees campaign at one point, but that showed the strength of feeling. These are workers who are getting hurt by the law of unintended consequences again.

As has been said, it is middle-income workers—long-serving workers—who are encouraged to stay on site, in a privatised company, to remain there and do this very important work of decommissioning, which obviously has an end date that signifies the end of their work. So it is only right that they should be able to pick up the pension accrual that they expected to get.

If we look back in history, we see that this is about Government striking a commercial deal to privatise a company. The company knows the workload that it is going to get, so it knows its commercial return. Years down the line, these workers should not be the victim of a Government change in policy, when, in fact, the company has managed to pick up the profit it was due over the years. That is very important.

These workers have not had a say in this process. They probably did not want to be privatised in the first place and they should not have their terms and conditions changed further down the line. I certainly support the amendment.

Anna Soubry: We need to remind ourselves, of course, that the Government have been clear that ending six-figure payments should apply to all public sector organisations, with few exceptions. Of course, it is the taxpayer who picks up the cost of exit payments and employees who have specialist skills should not automatically be exempt.

I was a little troubled by the contribution from the hon. Member for Wakefield, and not because I disagreed with her for one moment about the dreadful accident the day before yesterday at Didcot and the subsequent fatalities. It is undoubtedly the case that many people do dangerous jobs. I am reminded, of course, of all those who work in the fire and rescue service; we often forget that the fire brigades provide the rescue service as well. They do incredibly dangerous work, not only when they are fighting fires but when they are rescuing people. Although it is extremely rare, if it ever happens, that we make firefighters redundant, nevertheless they are also included in this new provision. I do not think that the fact that someone does a dangerous job should in some way exempt them.

The list of exempt organisations will be set out in the regulations, not in the Bill itself, and of course they will need the approval of both Houses of Parliament. The guidance accompanying the regulations will set down the criteria that Ministers, or those who have been delegated the responsibility, must consider in decisions to relax the cap. In other words, there are exemptions that can be made, but they will be determined in a list that, as I say, will require the approval of both Houses.

Regulations relaxing the cap can apply to individual cases and to groups of individuals, to cater for cases where Ministers may wish to consider organisational cases for relaxing the cap. So there is already a mechanism in place for organisations to be considered for exemption. Therefore, the amendment is unnecessary.

The regulations implementing the cap will be in force from October 2016 at the very earliest. However, as I think I have explained—it has certainly been explained in correspondence, but now I will make it very clear again—Magnox employees who are in the current redundancy programme and due to exit by September 2016 will not—repeat, will not—be caught by the cap, and the cap will not affect the core terms of the pension scheme available to Nuclear Decommissioning Authority staff, in other words Magnox employees, such as the retirement age or the basis on which their pensions accrual rate is set.

The hon. Member for Cardiff West used a particular example, of course, from somebody who had quite properly written in, which is absolutely the right thing to do. In relation to that point, I will say that I have indeed had meetings with MPs. I have not met the unions, not because I have any difficulty in meeting unions, but only because—unfortunately—my diary is pretty hectic.

However, I particularly made the point when I met the MPs, and I have made it clear to the unions by way of a letter, that people should please use their MPs to make full representations to me. As we all know, in this place Members can lobby a Minister in a corridor, or anywhere we bump into each other. That is the quickest and easiest way, but it is not a slight on the unions. I have specifically said to Members of Parliament, "Get back to them, and tell them about our meeting. Use your good self to communicate through."

Bill Esterson (Sefton Central) (Lab): Will the Minister give way?

Anna Soubry: In just a moment. I have drifted off, and I want to come back to my point on Magnox pensions. These are employer-funded costs that form part of the exit payment, and the cap does not affect the core terms of the pensions. That is important, and everyone is beholden to ensure that employees get the facts, not the myths or the spin. The cap does not affect the core terms of their pensions, such as accrual rates and normal pension age. I hope that might be of some assistance.

Kevin Brennan: Will the Minister give way?

Anna Soubry: I am happy to go to the hon. Gentleman first.

Kevin Brennan: I think my hon. Friend the Member for Sefton Central wanted to come in on a slightly earlier point. Has that point about myths been made in the representations that the Committee has received? I do not think that is the point we are trying to make with the amendment but, if the Minister thinks those myths are being pushed around, where are they coming from?

Anna Soubry: I am just answering the points that have been made.

I was asked why the banks are not included. There is a good reason for that. During the financial crisis, the then Government ensured that a number of banks were in temporary partial public ownership, and we have already started the process of returning the banks wholly—not partly, but wholly—to private ownership. That is the only reason why they are exempt.

The other important thing to remember—I am particularly explaining this for the Magnox workers—is that it is not the Government who deem that they are working in the public sector; it is the Office for National Statistics. As we debated the other day, the ONS is an independent organisation. It is not for the Government to beat up on the ONS, which decides and determines what is in and what is out of the public sector. By definition, that is the ONS's job.

Mary Creagh: I apologise for the earlier interruption. I have a new app, and I thought I had it on mute, but for some reason it started talking. I recommend it to the Committee, because it is good for beating the London traffic.

The Minister has just said that partially owned state banks are exempt from the cap at the moment. Does that mean that their workers can receive payoffs of more than £100,000 before they are fully privatised? That is at least the next year or year and a half, given our earlier discussions on the current state of the banking share market.

Anna Soubry: That is my understanding, because they are in the process of being wholly put back into the private sector. If I am wrong, I am sure I will be corrected. And if I am not corrected in time, I will be more than happy to write to the hon. Lady.

Mary Creagh: I am grateful to the Minister for clarifying that point. Does that mean that those banks that are in partial public ownership publish, as the Green Investment Bank currently does, the pay and benefits of all their top executives and their chairperson? We had that debate in relation to the Green Investment Bank, and I seek clarification on the same best practice for financial reporting on executive pay and performance. If the Minister cannot provide an answer now, I would be grateful if she wrote to me on that point.

Anna Soubry: I really do not know. The danger is that we are drifting off. Again, I am more than happy to ask my officials to write to the hon. Lady on that point. *[Interruption.]* Actually, the publication of what people earn, and so on, is not relevant to this clause.

I know that Opposition Members want to concentrate on the issue of the Magnox workers because, understandably, they have written in large numbers to hon. Members. As I have explained, we have been clear about what to do, but in any event we will list in regulation those employees who are not exempt. I also stress the point that the cap of £95,000 is on exit payments. We are not getting rid of all exit payments for Magnox workers, but those who would receive above £95,000 will be capped.

12 noon

Kevin Brennan: The Minister tells us that secondary legislation will list the organisations and people who will be exempted from the cap. As we know, the Government have decided to exempt certain people in the public sector from the cap. Will any or all of the bodies listed in new schedule 3 be included in the list in secondary legislation?

Anna Soubry: I do not think I can give assurances on that. If I am wrong, I will get back to the hon. Gentleman. Forgive me, Ms Buck, I am reading a note that I do not understand. It refers to the hon. Member for Walthamstow (Stella Creasy), although I did not think she was here. Perhaps the hon. Member for Wakefield has been mistaken for the hon. Member for Walthamstow.

Mary Creagh: She is blonde.

Anna Soubry: Yes, I was going to say that. I nearly said she is also much younger, but that would be exceedingly rude. Actually, it is not true. In any event, the hon. Lady looks the same age.

The Chair: Order. You are straying off the subject.

Anna Soubry: Well off it. But I do not like falling out with people. Unless anyone wants to intervene, that is all I have to say on this matter.

Bill Esterson: I want to make a few remarks as the Minister did not allow me to intervene earlier. My hon. Friend the Member for Wakefield made a point about consistency and the treatment of workers, whether they are senior bank executives or Magnox workers. Reasonable people might expect similar and decent treatment from the Government, whether they work in a bank, in decommissioning in the nuclear industry, or anywhere else. That is the grave concern about some of what we have heard and about the clauses tabled by the Government, which we want to amend. I tried to intervene on the Minister's comments on trade unions. I do not doubt her desire to engage with trade unions or her understanding of the importance of talking to the trade unions.

The Minister is right that constituency MPs have a crucial role in discussing with Ministers the impact of legislation on their constituents. Workers in the nuclear industry who are extremely worried, with good reason, about the proposals in the Bill are rightly being represented by their Members of Parliament and by members of the Committee. Indeed, representations were made on Second Reading and will be made on Report in two weeks' time. The Minister made comments about the pressures on her diary, but I gently say to her that partnership between Government, business and the workforce, especially through its trade union representation, is a hallmark of successful economies.

As success comes in large part from the relationship between the Government and the trade unions, in order to do the Magnox workers justice, the Minister should have made it a priority to meet their trade union before we got to this point in Committee. It is a great pity that she did not.

Kevin Brennan: I thought the Minister's response was disappointing, given the weight of the evidence submitted to the Committee and the strength of feeling among hon. Members and their constituents. The workers have made their plans and taken decisions on the basis of guarantees and promises given by Government. As far as we can surmise from the limited information that the Minister is prepared to provide about the Government's intentions, it now appears that the Government are going to take action that will affect them.

To listen to the Minister, one might think that the workers would not be affected at all. She seemed to be dealing with all sorts of shibboleths that were nothing to do with what is in the new schedule, rather than telling us directly whether the workers' pensions and prospects would be affected by the exit payment cap. The Minister rehearsed arguments about all sorts of scares, which may have been put about by mythical people she was not prepared to name, but going by the evidence submitted to us, the workers in question will be affected—and to quite a large extent.

We represented those arguments and made the case on the workers' behalf, and quoted, albeit selectively, from a heavy weight of evidence that they submitted to us about their circumstances. All we got from the Minister was a response to issues that had not been raised in the workers' letters to us and a vague reference to secondary legislation at some later date that will name some as yet unknown entities that may be excluded from the cap.

I am sorry, but I was brought up not to buy a pig in a poke, and if I were the Magnox workers I would not fall for that for a second. It is the oldest trick in the book for

Ministers to say "We might do something at a later date, but let something through in the meantime." That is not why we are here. We are here to get on the record the Government's position, and whether they accept the arguments about Magnox and other workers that we have set out in the new schedule. We want to know whether they are prepared to exclude those workers, through secondary legislation, from the exit payment cap. At the very least, will they give a strong indication that that is how they are minded to act?

All we got from the Minister was an empty sheet of paper, with nothing written on it. I am afraid that is not good enough for the constituents who have written to us and who are directly affected.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): My hon. Friend is making an important point. I want to express my concerns about the issue. It speaks to what seems to be a wider Government issue on pensions. We had a debate yesterday about women born in the 1950s who have been significantly affected by the Government's switching the goal posts. The Government are pulling the rug out from under people. People have paid into the system and saved all their lives for their pension, only to find that the Government have changed the rules at the last minute. That suggests a profound disrespect for those people, but also for the principle of saving and doing the right thing. The Government profess to support those people, but they are doing the opposite.

Kevin Brennan: Indeed. Those people are the definition of strivers; they are hard-working—the beating heart of the working people of this country. It shows in their letters to us. Neither are they swivel-eyed lefty loonies or anything of that kind. Their letters reveal that they are ordinary working people. Often they live in the constituencies of Conservative Members. The one I quoted earlier lives in Maldon, the constituency of the Secretary of State for Culture, Media and Sport, and there are many others in constituencies represented by Members from both sides of the House and all parts of the United Kingdom.

Mary Creagh: I do not know how many of those workers cast votes for the Conservatives in the election, but had they been apprised of the facts before the election obviously they might have chosen to vote differently in some of the marginal seats mentioned by my hon. Friend. Also, one of the letters that I have received mentions that the impact assessment says that this course of action will save in the low hundreds of millions of pounds over this Parliament. The woman who wrote the letter contrasts that with the £130 million of back tax that has been paid by Google, which is under the spotlight again, given the news that the French Government are asking for £1.3 billion of back taxes from that company.

The Chair: Order. We are in danger of drifting quite a long way from the subject.

Kevin Brennan: As ever, I will follow your instructions, Ms Buck.

Alan Brown: The hon. Gentleman spoke about the Minister's disappointing response. Does he agree with me that one aspect of that response was that firefighters would be affected by the provision on exit payments? Is that not an illustration of what is wrong with this whole premise? They are anything but fat cats.

Kevin Brennan: It is. In fairness to the Minister, I do not think that she was saying that they were, but that is the language that the Secretary of State has used and that is the headline that they seek with this kind of policy making by headline. They put things in the Bill that are meant to get them a headline in the *Daily Mail* and *The Sun*. That is what it is all about, fundamentally. It is all about political positioning: "We are against these public sector fat cats." But the reality, when we lift the stone and look underneath that proposition, is that some pretty ugly stuff is wriggling around underneath the stone. There is an example of that in the debate that we are having today. Hard-working people are being betrayed by their Government. They would have made very different assumptions, as my hon. Friends have pointed out, about what this policy meant when they read their *Daily Mail* and read the headline and even when they read the Conservative party manifesto, because—

Anna Soubry: Does the hon. Gentleman accept that some Magnox workers apparently can receive up to half a million pounds? Is he saying that there should be no cap at all on any of the exit payments for Magnox workers? We want to be clear.

Kevin Brennan: The Minister is yet again quoting from a document that none of us has seen. She comes up with these little flights of inspiration to us that the rest of us have not read. I have been quoting from the evidence that has been submitted to the Committee. The Government could put in their explanatory notes to the Bill the fact that they are going after Magnox because of the fat cats that the Minister is saying—

Anna Soubry: I never used that term.

Kevin Brennan: Well, the Secretary of State used the term, and the Secretary of State is the Minister's senior and I presume she agrees with what he says. She is constitutionally obliged to, actually, when she is talking on behalf of the Department.

Mary Creagh: Let me attempt to help the Committee. I am sure that the Minister meant, when she referred to payments of up to half a million pounds, that some of those will be making up the pension requirements. Let us say that somebody is made redundant at 50. Their contract states that they can have their pension made up as if they had worked until the state retirement age, which is 65. We are talking about 13 years of pension fund payments on a salary of, I think, £30,000 a year. Thirteen years of payment would amount to £156,000. That is not going into that person's pocket; it is going into their pension fund, and they have planned for that in order to help to pay their mortgage and to help them save towards their retirement.

Kevin Brennan: Indeed. All their life decisions were taken on the basis that they had a good pension fund that they were paying into and that they could expect,

[Kevin Brennan]

under the terms and conditions, to receive. That was contractually promised and, at the time of privatisation, commitments were made and guarantees were given that these people going into the private sector would not be affected in the way they are now being affected. The Government are hiding behind the veil of the argument that the ONS has classed them as public sector. That is irrelevant because the Government have the authority to exclude them if they accept the argument put forward by the Magnox workers.

I know that the Minister has expressed some sympathy—that is why I was quite surprised at her last intervention—privately in relation to Magnox workers. *[Interruption.]* That has been reported to me. I should explain. I will put it on the record, then. My hon. Friend the Member for Ynys Môn (Albert Owen) told me that in the meeting that he and other Members from across the House had with her that she expressed some sympathy with the case that the workers were putting forward. Nevertheless, she has come to the Committee with nothing for them today and no indication that on Report the Government will come back with something better than they have produced today, which is the square root of very little, to put it politely.

12.15 pm

The Minister's response leaves me with no alternative—without excluding the possibility of returning to the matter on Report—but to divide the Committee, which is what the workers would expect from us, having made the argument on their behalf. That is not to say that we have exhausted the subject, which we may need to press on Report, but I ask my hon. Friends, and hon. Members on both sides of the Committee who are concerned about the issue, to support the amendment.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 10.

Division No. 6]

AYES

Bardell, Hannah	Esterson, Bill
Brennan, Kevin	McKinnell, Catherine
Brown, Alan	
Creagh, Mary	Morden, Jessica

NOES

Argar, Edward	Lewis, Brandon
Barclay, Stephen	Mackintosh, David
Churchill, Jo	Pawsey, Mark
Frazer, Lucy	Solloway, Amanda
Howell, John	Soubry, rh Anna

Question accordingly negatived.

Clause 35 ordered to stand part of the Bill.

Schedule 4

RESTRICTION ON PUBLIC SECTOR EXIT PAYMENTS: CONSEQUENTIAL AND RELATED PROVISION

Kevin Brennan: I beg to move amendment 126, in schedule 4, page 68, line 6, after "reduction)," insert

"in (7) replace "is entitled to, and must take immediate payment of" with "may elect to receive immediate payment of" and".

The amendment would give an individual the choice to take a pension immediately or delay taking it under the Local Government Pensions Scheme on being made redundant or because of business efficiency if under the exit payment cap such a payment would need to be actuarially reduced.

This is an important matter, but I hope we can dispose of it fairly quickly, obviously depending on hon. Members' views. At the moment, local government pension scheme regulations state that, where an individual is made redundant at the age of 55 or over, they must take their pension. The pension that is payable to a member in that position is paid at the full rate and is not reduced to take into account that it will be paid for longer than if they had retired at a later age.

There may be a cost to the employer of putting the full pension into payment. Once the cap is introduced, if there is a cost to the employer of providing that unreduced pension and, taken together with the other exit payments, the cost would exceed £95,000, the Bill states that the pension should be paid at a reduced rate to ensure that the total cost does not go above the level of the cap. However, as drafted, the local government pension scheme regulations will still require that person to take their pension at the point of redundancy, and it will be a reduced pension for the remainder of their life, not just for the period until retirement.

The amendment proposes that members in that situation would have the choice of whether to take their pension. If, for example, a member is made redundant at the age of 55, they could either choose to take their pension at that point, accepting that it will be paid at a reduced rate for the rest of their life, or choose to delay taking their pension so that it can be put into payment at a later time on an unreduced basis. That seems an eminently sensible and reasonable proposition, and it is very much in line with what the Government say they want to do in extending choice to people in relation to their pension. There would not be a cost to the pension fund. The element of choice is crucial. The Minister believes in choice and we support that. A worker's decision on when to access their pension really is a pretty basic right and choice. Will she extend that choice to these workers by agreeing to amendment 126?

Anna Soubry: Schedule 4 amends the local government pension scheme to allow for the payment of a reduced pension when the pension top-up by the employer required for an unreduced pension is to be taken early and would exceed £95,000. The provision is required to ensure that the scheme does not conflict with the requirements of the cap.

The amendment would allow for a member, instead of taking a reduced pension earlier, to opt to defer payment of their pension and take an unreduced pension at normal pension age. However, it is unclear how the amendment would be advantageous to the member, as they would be forfeiting up to £95,000 of top-up by their employer to their pension pot.

In any event, the amendments in schedule 4 make the minimum of changes for the cap to be effective. Any further amendments to the local government scheme should be made after consultation with members in the normal manner. For the sake of completeness, I want to

say that the cap does not affect any pension already accrued or paid for by members' contributions, even when taken out. That is why I resist the amendment.

Kevin Brennan: Obviously, I am disappointed by that reply. I had hoped that the Minister would say, "We'll give it some more thought." Whether she judges that it would be to the worker's advantage or not is, quite frankly, irrelevant. It is about whether the worker, with appropriate financial advice, thinks it is the right choice for them. It is not for the Minister to decide whether it is the right choice for them. That is a very different definition of choice from the one we thought the Government meant when they were talking about choice regarding pensions.

I accept what the Minister said but I hope that she will think a bit more about it because this is not an unreasonable proposition, nor one that should affect any financial calculations that the Government might be concerned about in this part of the Bill. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 4 agreed to.

New Clause 1

Power of Welsh Ministers to apply regulators' principles and code of practice

'In section 24 of the Legislative and Regulatory Reform Act 2006 (application of regulators' principles and code of practice to functions specified by order)—

(a) for paragraph (c) of subsection (3) (Wales: limit on power of Minister of the Crown to specify functions) substitute—

"(c) a Welsh regulatory function.";

(b) in subsection (4) (power of Welsh Ministers to specify functions) for "regulatory functions exercisable only in or as regards Wales" substitute "Welsh regulatory functions";

(c) in subsection (10) (definitions) at the appropriate place insert—

""Welsh regulatory function" means a regulatory function, so far as exercisable in relation to Wales, if or to the extent that the function relates to matters—

(a) within the legislative competence of the National Assembly for Wales (see section 108 of the Government of Wales Act 2006), or

(b) in respect of which functions are exercisable by the Welsh Ministers.".'"—*(Anna Soubry.)*

This new Clause gives power to the Welsh Ministers (instead of a Minister of the Crown) to make orders applying the regulators' principles and code of practice in relation to functions relating to matters within the legislative competence of the National Assembly for Wales, or in respect of which functions are exercisable by the Welsh Ministers.

Brought up, read the First and Second time, and added to the Bill.

New Clause 2

Devolved Welsh matters

'(1) The Regulatory Enforcement and Sanctions Act 2008 is amended as follows.

(2) In each of the following provisions, for "Welsh ministerial" substitute "devolved Welsh"—

(a) in section 4 (meaning of "relevant function"), subsections (6) and (8)(b);

(b) in section 6 (guidance to local authorities), subsections (1) and (1A);

(c) in section 10 (advice to Welsh Ministers), subsection (1)(a);

(d) in section 12 (relationship between Secretary of State and other regulators), subsection (3);

(e) in section 16 (guidance or directions by Welsh Ministers), subsection (1);

(f) in section 36 (power to make orders providing for civil sanctions), subsection (2);

(g) in section 59 (consultation and consent for civil sanctions orders: Wales), subsection (2);

(h) in section 73 (functions to which duty not to impose or maintain unnecessary regulatory burdens applies), subsections (3)(c), (4)(c) and (5).

(3) In section 73 (functions to which section 72 applies), in subsections (3)(c) and (4)(c), for "in Wales" substitute "in relation to Wales".

(4) In section 74 (general interpretation)—

(a) omit the definition of "Welsh ministerial matter";

(b) before the definition of "Minister of the Crown" insert—

""devolved Welsh matter" means —

(a) a matter within the legislative competence of the National Assembly for Wales (see section 108 of the Government of Wales Act 2006), or

(b) a matter in relation to Wales in respect of which functions are exercisable by the Welsh Ministers,

and in this definition "Wales" has the same meaning as in the

Government of Wales Act 2006;".'"—*(Anna Soubry.)*

See the explanatory statements for amendments 1 and 2.

Brought up, read the First and Second time, and added to the Bill.

New Clause 3

Apprenticeships: information sharing

(1) After Part 1 of the Apprenticeships, Skills, Children and Learning Act 2009 (apprenticeships, study and training) insert—

"Part 1A

Apprenticeships: information sharing

England

'40A Sharing of information by HMRC and the Secretary of State

(1) HMRC may disclose information held by them to the Secretary of State for the purpose of the Secretary of State's functions in relation to English statutory apprenticeships.

(2) The Secretary of State may disclose information to HMRC—

(a) for the purpose of requesting HMRC to disclose information under subsection (1), or

(b) for another purpose connected with the Secretary of State's functions in relation to English statutory apprenticeships.

(3) In this section "English statutory apprenticeships" means—

(a) approved English apprenticeships within the meaning given in section A1;

(b) apprenticeships undertaken under apprenticeship agreements within the meaning given in section 32 that were entered into in connection with recognised English frameworks;

(c) apprenticeships in relation to which alternative English completion arrangements apply under section 1(5);

(d) apprenticeships undertaken under arrangements made in relation to England under section 2 of the Employment and Training Act 1973 that are identified by the person making them as arrangements for the provision of apprenticeships.

Wales, Scotland and Northern Ireland

40B Sharing of information by HMRC and devolved authorities

(1) HMRC may disclose information held by them—

(a) to a Welsh authority for the purpose of the authority's functions in relation to Welsh apprenticeships;

(b) to a Scottish authority for the purpose of the authority's functions in relation to Scottish apprenticeships;

(c) to a Northern Irish authority for the purpose of the authority's functions in relation to Northern Irish apprenticeships.

(2) An authority mentioned in paragraph (a), (b) or (c) of subsection (1) may disclose information to HMRC—

(a) for the purpose of requesting HMRC to disclose information to the authority under subsection (1), or

(b) for another purpose connected with the authority's functions mentioned in subsection (1).

(3) In this section—

"Northern Irish apprenticeships" means apprenticeships undertaken under arrangements made under section 1 of the Employment and Training Act (Northern Ireland) 1950 that are identified by the person making them as arrangements for the provision of apprenticeships;

"Northern Irish authority" means—

(a) a Northern Ireland department, and

(b) any body or other person that is prescribed, or of a prescribed description;

"Scottish apprenticeships" means apprenticeships undertaken under arrangements made—

(a) in relation to Scotland, under section 2 of the Employment and Training Act 1973, or

(b) under section 2(3) of the Enterprise and New Towns (Scotland) Act 1990, that are identified by the person making them as arrangements for the provision of apprenticeships;

"Scottish authority" means—

(a) the Scottish Ministers, and

(b) any body or other person that is prescribed, or of a prescribed description;

"Welsh apprenticeships" means—

(a) apprenticeships undertaken under apprenticeship agreements within the meaning given in section 32 that were entered into in connection with recognised Welsh frameworks;

(b) apprenticeships in relation to which alternative Welsh completion arrangements apply under section 2(5);

(c) apprenticeships undertaken under arrangements made in relation to Wales under—

"Welsh authority" means—

(a) the Welsh Ministers, and

(b) any body or other person that is prescribed, or of a prescribed description.

(4) In subsection (3)—

(a) the reference to a Northern Ireland department includes a reference to a person providing services to a Northern Ireland department;

(b) the reference to the Scottish Ministers includes a reference to a person providing services to the Scottish Ministers;

(c) the reference to the Welsh Ministers includes a reference to a person providing services to the Welsh Ministers.

(5) Regulations under this section may amend the definition in subsection (3) of—

(a) "Northern Irish apprenticeships",

(b) "Scottish apprenticeships", or

(c) "Welsh apprenticeships".

General

40C Wrongful disclosure

(1) Information disclosed by HMRC under section 40A(1) or 40B(1) may not be disclosed by the recipient of the information to any other person without the consent of HMRC (except so far as permitted by section 40A(2) or 40B(2)).

(2) If a person discloses, in contravention of subsection (1), any revenue and customs information relating to a person whose identity—

(a) is specified in the disclosure, or

(b) can be deduced from it,

section 19 of the Commissioners for Revenue and Customs Act 2005 (wrongful disclosure) applies in relation to that disclosure as it applies in relation to a disclosure of such information in contravention of section 20(9) of that Act.

40D Interpretation

(1) In this Part—

"HMRC" means the Commissioners for Her Majesty's Revenue and Customs;

"revenue and customs information relating to a person" has the same meaning as in section 19 of the Commissioners for Revenue and Customs Act 2005 (see section 19(2) of that Act).

(2) In this Part—

(a) references to HMRC include references to a person providing services to HMRC;

(b) references to the Secretary of State include references to a person providing services to the Secretary of State.

(3) Nothing in this Part affects any power to disclose information that exists apart from this Part.".

(2) In section 262(6) of that Act (orders and regulations subject to affirmative procedure) after paragraph (aa) insert—

"(aaa) regulations under section 40B;".

(3) In section 268 of that Act (extent)—

(a) in subsection (2) (provisions extending to Scotland) for "Sections 40," substitute "Section 40, Part 1A, sections", and

(b) in subsection (3) (provisions extending to Northern Ireland) for "Sections", in the first place, substitute "Part 1A, sections".'"—*(Anna Soubry.)*

This new Clause inserts a new Part into the Apprenticeships, Skills, Children and Learning Act 2009 providing for the sharing of information between HMRC and the Secretary of State, and between HMRC and certain devolved authorities, for purposes connected with apprenticeships.

Brought up, and read the First time.

Anna Soubry: I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss the following:

Government new clause 4—*Apprenticeship Funding.*

Government amendment 25.

Anna Soubry: We are introducing the apprenticeship levy and the step change in apprenticeship numbers and quality to deliver on the commitment of 3 million

apprenticeship starts by 2020. We have set ourselves a high target and I am confident that we will achieve it especially when business fully appreciates—and I think it does—the huge importance of apprenticeships. When we ratchet up this work, everybody will play their part in making sure that we offer wonderful opportunities for earning and learning. The Government will legislate for powers to raise and collect the levy across the United Kingdom through the Finance Bill 2016, with the levy due to go live in April 2017.

For employers to get out at least what they put in, we need to know what they have put in in the first place. We want to do this in a way that minimises the administrative burden on businesses. Data sharing between HMRC and the Secretary of State for BIS is the most effective and most efficient way to do this. The legislation will enable information held by the Treasury on the employer's levy to be shared, so that each employer's entitlement to apprenticeship funding can broadly match levy payments made by employers.

Employers entitled to levy funds will be able to access the new digital apprenticeship service from April 2017, and over time the service will be expanded to cover all employers who take on apprentices. Each employer that has paid the levy will be able to see how much they have paid and therefore how much they have to spend in their levy account. That will help us to give employers a simple-to-use apprenticeship service that is clearly linked to their levy payments. We will publish details in due course about arrangements for employers not paying the levy.

Devolved Administrations will also have access to similar information to operate their own apprenticeship schemes. The legislation also creates a new funding power that will enable us to make levy-funded payments to employers across the full range of apprenticeships in England.

Kevin Brennan: We debated this matter extensively earlier in the Bill and we have not tabled amendments in this group, so I will make my remarks in relation to the next group in which we have tabled amendments. My remarks will be brief because we have debated this quite extensively and we made our positon clear. However, we want to hear an explanation of the Government amendments.

Question put and agreed to.

New clause 3 read a Second time, and added to the Bill.

New Clause 4

Apprenticeship funding

In section 100(1A) of the Apprenticeships, Skills, Children and Learning Act 2009 (provision of financial resources in connection with approved English apprenticeships)—

(a) for "approved English apprenticeships", in both places, substitute "English statutory apprenticeships", and

(b) after subsection (4) insert—

"(5) In this section "English statutory apprenticeship" has the same meaning as in section 40A (see subsection (3) of that section).""

.—*(Anna Soubry.)*

This new Clause expands the Secretary of State's funding powers in relation to English apprenticeships.

Brought up, read the First and Second time, and added to the Bill

New Clause 5

Market rent only option: rent assessments etc

In section 43 of the Small Business, Enterprise and Employment Act 2015 (pubs code: market rent only option), in subsection (6)(b), after "in lieu of rent" insert "(whether or not it results in a proposal that the rent, or amount of money payable, should increase)"."—*(Anna Soubry.)*

This new Clause is intended to replace Clause 33, inserted by opposition amendment in the Lords. The changes are intended to achieve what the Government understands is the intended effect of the Lords amendment, namely to ensure that the Pubs Code will require pub-owning businesses to offer tied pub tenants a market rent only option in connection with a rent assessment (including a rent assessment required at a scheduled rent review) whether the rent proposed is an increase, a decrease or is unchanged.

Brought up, read the First and Second time, and added to the Bill.

New Clause 6

Reports on avoidance

In Part 4 of the Small Business, Enterprise and Employment Act 2015 (the Pubs Code Adjudicator and the Pubs Code), after section 71 insert—

"71A Reports on avoidance

(1) The Adjudicator must report to the Secretary of State on cases of pub-owning businesses engaging in business practices which are, in the Adjudicator's opinion, unfair business practices.

(2) A report under subsection (1) must include recommendations as to—

(a) actions to be taken to prevent pub-owning businesses from engaging in the business practices reported on, and

(b) how to provide redress for tied pub tenants affected by those practices.

(3) The Secretary of State must issue a statement within three months of receiving a report under subsection (1) setting out—

(a) action which the Secretary of State intends to take to protect tied pub tenants affected by the business practices reported on, or

(b) if the Secretary of State does not intend to take such action, the reasoning for that decision.

(4) In this section "unfair business practice" means a business practice which—

(a) is engaged in by a pub-owning business at any time after the passing of this Act in order to avoid, to the detriment of tied pub tenants, the operation of provision made by or under this Part, and

(b) is unfair.""—*(Anna Soubry.)*

This new Clause is intended to replace Clause 34, inserted by opposition amendment in the Lords. The changes are intended to clarify the effect of the Lords amendment. Instead of containing freestanding provision, the new clause inserts provision into Part 4 of the Small Business, Enterprise and Employment Act 2015. There are small changes to the detail of the drafting, principally to clarify that it applies to all regulations made under Part 4 of the 2015 Act and that the Adjudicator can report on business practices engaged in after royal assent of that Act.

Brought up, read the First and Second time, and added to the Bill.

New Clause 22

The Institute for Apprenticeships

"Schedule (*The Institute for Apprenticeships*) establishes the Institute for Apprenticeships and makes provision about its functions."—*(Anna Soubry.)*

This new Clause introduces NS2.

Brought up, and read the First time.

Anna Soubry: I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss the following:

Government new clause 23—*The Institute for Apprenticeships: transitional provision.*

Government new schedule 2—*The Institute for Apprenticeships—*

"The Institute for Apprenticeships

1 The Apprenticeships, Skills, Children and Learning Act 2009 is amended as follows.

2 In Part 1 (apprenticeships, study and training) before Chapter A1 insert—

Chapter ZA1

The Institute for Apprenticeships

Establishment

ZA1 The Institute for Apprenticeships

'(1) A body corporate known as the Institute for Apprenticeships is established.

(2) In this Act that body is referred to as "the IfA".

(3) Schedule A1 makes further provision about the IfA.

General duties and functions

ZA2 General duties

'(1) So far as relevant, and subject to any notice given by the Secretary of State under subsection (2), in performing its functions the IfA must have regard to—

(a) the reasonable requirements of industry, commerce, finance, the professions and other employers regarding education and training within the IfA's remit;

(b) the reasonable requirements of persons who may wish to undertake education and training within the IfA's remit;

(c) the need to ensure that education and training within the IfA's remit is of an appropriate quality;

(d) theneed to ensure that education and training within the IfA's remit represents good value in relation to financial resources provided out of public funds;

(e) any information provided to it by any person designated by the Secretary of State for the purposes of this paragraph.

(2) The Secretary of State may give a notice in writing to the IfA setting out other matters to which the IfA must have regard when performing its functions.

(3) The Secretary of State may not give a notice under subsection (2) more than once in any financial year (within the meaning given by section ZA6(6)), except as provided by subsection (4).

(4) Where in a financial year—

(a) a notice is given under subsection (2), and

(b) after the giving of the notice a new Parliament meets for the first time,

the Secretary of State may give one further notice under subsection (2) in that year.

(5) The IfA must perform its functions efficiently and effectively.

(6) For the purposes of this section, education or training is within the IfA's remit if the education or training is or may be provided in the course of an approved English apprenticeship.

(7) Subsection (1) and any notice under subsection (2) do not apply in relation to functions that are— Where directions or regulations so provide, the directions or regulations—

(a) delegated by directions under section ZA4, or

(b) conferred by regulations under section ZA5,

unless the regulations or directions provide for them to apply in relation to the functions.

(c) may provide for any education or training to which the functions relate to be treated as within the IfA's remit for the purposes of this section;

(d) may provide for subsection (1) and any notice under subsection (2) to apply in relation to the functions with such modifications as the Secretary of State thinks fit.

(8) The Secretary of State must—

(a) publish in such manner as the Secretary of State thinks fit any notice under subsection (2), and

(b) lay a copy of it before Parliament.

ZA3 Provision of advice and assistance to the Secretary of State etc

'(1) The IfA may, if requested to do so by the Secretary of State, provide the Secretary of State with advice and assistance in connection with the Secretary of State's functions relating to apprenticeships in relation to England.

(2) The Secretary of State's functions mentioned in subsection (1) include those under section 100(1A) or otherwise relating to the funding of apprenticeships in relation to England.

ZA4 Delegation of functions to the IfA by Secretary of State

'(1) The Secretary of State may by direction delegate to the IfA any of the Secretary of State's functions relating to apprenticeships in relation to England.

(2) The functions may be delegated—

(a) to any extent that the Secretary of State specifies in the direction, and

(b) subject to any conditions that the Secretary of State specifies in the direction.

(3) The Secretary of State's functions mentioned in subsection (1) include those under section 100(1A) or otherwise relating to the funding of apprenticeships in relation to England.

ZA5 Conferral of further functions on the IfA by regulations

'(1) The Secretary of State may by regulations confer on the IfA such functions relating to apprenticeships in relation to England as the Secretary of State considers appropriate.

(2) A function conferred by regulations under subsection (1) may involve the exercise of a discretion.

ZA6 Annual and other reports

'(1) As soon as reasonably practicable after the end of each financial year, the IfA must prepare an annual report.

(2) An annual report is a report which includes—

(a) a description of what the IfA has done during the year, including a description of what the IfA has done as a result of any notice given by the Secretary of State under section ZA2(2),

(b) the statement of accounts prepared for that year under paragraph 11 of Schedule A1, and

(c) such other provision as the Secretary of State may direct.

(3) The IfA must send the report to the Secretary of State as soon as reasonably practicable after it has been prepared.

(4) The Secretary of State must lay a copy of the report before Parliament.

(5) The Secretary of State may direct the IfA to prepare, and send to the Secretary of State, as soon as reasonably practicable a report on any matter relating to its functions.

(6) In this section "financial year" means—

(a) the period beginning with the day on which this section comes into force and ending with the following 31 March, and

(b) each successive period of 12 months.

Compliance

ZA7 Secretary of State directions where the IfA fails to discharge duties etc

If the Secretary of State is satisfied that the IfA—

(a) has failed to discharge a duty imposed on it by or under this Act, or

(b) has acted or is proposing to act in an unreasonable way in exercising any function,

the Secretary of State may give the IfA such directions as the Secretary of State considers appropriate.

Directions

ZA8 General provision about directions under Chapters ZA1 and A1

'(1) This section applies to a direction given to the IfA by the Secretary of State under this Chapter or Chapter A1.

(2) The IfA must comply with the direction.

(3) The direction must be in writing."

3 Before section A1 insert—

"Introductory"

4 In section A1 (meaning of "approved English apprenticeship"), in subsection (3)(a) for "the Secretary of State has published an approved apprenticeship standard under section A2" substitute "an approved apprenticeship standard has been published under section A2".

5 For section A2 (approved apprenticeship standards) substitute—

"Publication of standards and assessment plans

A2 Apprenticeship standards and assessment plans

'(1) The IfA must publish—

(a) standards for such sectors of work as the IfA considers appropriate for the purposes of this Chapter, and

(b) assessment plans in respect of published standards.

(2) Each standard must—

(b) if there is more than one standard for the sector, describe the kind of work within the sector to which it relates.

(3) Each standard must set out the outcomes that persons seeking to complete an approved English apprenticeship are expected to attain in order to achieve the standard.

(4) An assessment plan in respect of a standard is a plan in accordance with which a person's attainment of the outcomes set out in the standard is to be assessed.

(5) Each assessment plan must—

(b) set out the proposed arrangements for evaluating the quality of any assessment provided for by the plan.

(6) The following provisions supplement the provision made by this section—

section A2A makes provision about the preparation of apprenticeship standards and assessment plans;

sections A2B to A2D make provision related to ensuring the quality of apprenticeship assessments;

sections A2E and A2F make provision about the review, revision and withdrawal of apprenticeship standards and assessment plans;

section A2G makes provision for independent examinations of apprenticeship standards and assessment plans;

section A2H makes provision about the maintenance of a published list of apprenticeship standards and assessment plans;

section A2I provides for the automatic transfer to the IfA of copyright in apprenticeship standards and assessment plans.

A2A Preparation of apprenticeship standards and assessment plans

'(1) Each standard or assessment plan published under section A2 must have been prepared by a group of persons and approved by the IfA.

(2) The group of persons that prepared a standard or assessment plan published under section A2 must have been approved by the IfA for the purposes of this section.

(3) The IfA may provide advice or assistance to a group of persons in connection with the preparation of a standard or assessment plan.

(4) The IfA must publish—

(a) information about matters that it takes into account when deciding whether or not to approve standards or plans for the purposes of subsection (1);

(b) information about matters that it takes into account when deciding whether or not to approve groups of persons for the purposes of subsection (2).

(5) When making a decision of the kind mentioned in subsection (4)(a) or (b) in a particular case, the IfA may also take into account such other matters as it considers appropriate in the case in question.

(6) Information published under subsection (4) may be revised or replaced, and the IfA must publish under that subsection any revised or replacement information.

Quality assurance

A2B Evaluation of quality of apprenticeship assessments

'(1) The IfA must secure that evaluations are carried out of the quality of apprenticeship assessments provided by persons in relation to assessment plans published under section A2.

(2) "Apprenticeship assessment" means the assessment of a person's attainment of the outcomes set out in the standard to which the assessment plan relates.

(3) For the purposes of subsection (1) the IfA may approve or make arrangements for other persons to carry out evaluations.

A2C Unsatisfactory apprenticeship assessments

'(1) If the IfA considers that the quality of any apprenticeship assessment provided by a person is or may become unsatisfactory, it may carry out a review of the assessment, or make arrangements with another person for the carrying out of such a review.

(2) The IfA may, in consequence of a review, make arrangements for the purpose of improving the quality of the assessment to which the review relates.

(3) If the IfA—

(a) considers that the quality of any apprenticeship assessment provided by a person is or may become unsatisfactory, or

(b) that a person who provides an apprenticeship assessment has failed to co-operate with a review carried out under this section or with arrangements made under subsection (2),

it may report the matter to the Secretary of State or such other person as the IfA considers appropriate.

(4) A report under subsection (3) may contain recommendations as to the action to be taken by the person to whom the report is made.

(5) The IfA may publish a report under subsection (3).

A2D Committee to advise on quality evaluations etc

'(1) The IfA may establish a committee with—

(a) the function of giving the IfA advice on the performance of its functions under sections A2B and A2C, and

(b) such other functions as may be conferred on the committee by the IfA.

(2) A majority of the members of the committee—

(a) must be persons who appear to the IfA to have experience of the assessment of education or training, and

(b) must not be members of the IfA.

(3) Subject to that, Schedule A1 applies to a committee established under this section as it applies to committees established under paragraph 7 of that Schedule.

Review, revision and withdrawal

A2E Regular reviews of published standards and assessment plans

'(1) The IfA must maintain arrangements for the review at regular intervals of each standard or assessment plan published under this Chapter, with a view to determining whether the standard or plan ought to be revised or withdrawn.

(2) In respect of each standard or assessment plan published under this Chapter, the IfA must publish information about the intervals at which those reviews are to be conducted.

A2F Revision or withdrawal of published standards and assessment plans

'(1) The IfA may—

(a) publish a revised version of a standard or assessment plan published under this Chapter, or

(b) withdraw a standard or assessment plan published under this Chapter (with or without publishing another in its place).

(2) Section A2A applies in relation to a revised version of a standard or plan published under this section as it applies in relation to a standard or plan published under section A2.

Other provisions about English approved apprenticeships

A2G Examinations by independent third parties

'(1) Before the IfA approves a standard or assessment plan for the purposes of section A2A(1) it must make arrangements for the carrying out of an examination of the standard or plan by an independent third party.

(2) The duty imposed by subsection (1) does not apply in relation to a revised version of a standard or assessment plan, but the IfA may, for the purposes of a review under section A2E or at any other time, make arrangements for the carrying out of an examination of a standard or assessment plan by an independent third party.

(3) Where an examination of a standard or assessment plan is carried out under this section, the IfA must take account of the finding of the examination in exercising its functions in relation to the standard or plan under this Chapter.

(4) Nothing in subsection (1) prevents the IfA deciding to reject a standard or assessment plan without first making arrangements for the carrying out of an examination by an independent third party.

A2H List of published standards and assessment plans

'(1) The IfA must maintain a list of the standards and assessment plans published by it under this Chapter.

(2) In respect of each standard and plan listed (including any revised version), the list must include details of when it comes into force.

(3) Where a revised version is listed, the list must include a general description of the cases to which the revised version applies.

(4) Where a standard or plan has been withdrawn, the list must include details of when the withdrawal comes into force and a general description of the cases to which it applies.

(5) The IfA must secure that the list is available free of charge at all reasonable times.

A2I Transfer of copyright in standards and assessment plans

'(1) This section applies where—

(a) a standard or assessment plan is approved by the IfA undersection A2A, and

(b) a person (other than the IfA) is entitled, immediately before the time the approval is given, to any right or interest in any copyright in the standard or plan.

(2) The right or interest is, by virtue of this section, transferred from that person to the IfA at the time the approval is given.

(3) The IfA must ensure that a standard or assessment plan in relation to which a right or interest has transferred by virtue of subsection (2) is made available to the public, subject to any conditions that the IfA considers appropriate."

6 (1) Section A3 (pow er to issue apprenticeship certificate) is amended as follows.

(2) In subsection (1) for "to" substitute "in respect of".

(3) In subsection (2), for paragraph (b) substitute—

"(b) the supply by the Secretary of State of apprenticeship certificates issued under that subsection, and copies of those certificates, to—

(i) persons in respect of whom they were issued;

(ii) persons for whom those persons work or have worked under approved English apprenticeship agreements to which the certificates relate."

7 In section 122 (sharing of information for education and training purposes)—

(a) in subsection (3) (persons who may provide and receive information), after paragraph (f) insert—

"(g) the IfA.";

(b) in subsection (5) (functions for the purposes of which information may be provid ed)—

(i) omit the "or" at the end of paragraph (b), and

(ii) after paragraph (b) insert—

8 In section 262(6) (orders and regulations subject to affirmative procedure) before paragraph(ab) insert—

"(aab) regulations under section ZA5;"

9 Before Schedule 1 insert—

"Schedule A1

the Institute for Apprenticeships

Status

1 The IfA is to perform its functions on behalf of the Crown.

Membership

2 (1) The IfA is to consist of—

(a) a member appointed by the Secretary of State to chair the IfA ("the chair");

(b) the chief executive appointed in accordance with paragraph 5;

(c) at least 4 and no more than 10 other members appointed by the Secretary of State.

(2) The chair and members appointed under sub-paragraph (1)(c) are referred to in this Schedule as the "non-executive members".

Tenure of non-executive members

3 (1) The non-executive members hold and vacate office in accordance with the terms of their appointment.

(2) Those terms are to be determined by the Secretary of State, subject to the following provisions of this Schedule.

(3) A non-executive member must not be appointed for a term of more than five years.

(4) A non-executive member may resign from office at any time by giving written notice to the Secretary of State.

(5) The Secretary of State may remove a non-executive member from office on either of the following grounds—

(a) inability or unfitness to carry out the duties of office;

(b) absence from the IfA's meetings for a continuous period of more than 6 months without the IfA's permission.

(6) The previous appointment of a person as a non-executive member does not affect the person's eligibility for re-appointment.

Remuneration of non-executive members

4 (1) The IfA must, if the Secretary of State requires it to do so, pay remuneration, allowances and expenses to its non-executive members.

(2) The IfA must, if the Secretary of State requires it to do so, pay, or make provision for the payment of, a pension, allowances or gratuities to or in respect of a person who is or has been a non-executive member.

(3) If a person ceases to be a non-executive member of the IfA and the Secretary of State decides that the person should be compensated because of special circumstances, the IfA must pay compensation to the person.

(4) The amount of a payment under sub-paragraph (1), (2) or (3) is to be determined by the Secretary of State.

(5) Service as a non-executive member is one of the kinds of service to which a scheme under section 1 of the Superannuation Act 1972 (superannuation schemes as respects civil servants etc) can apply (see Schedule 1 to that Act).

(6) The IfA must pay to the Minister for the Civil Service, at such times as the Minister may direct, such sums as the Minister may determine in respect of any increase attributable to the provision of pensions, allowances or gratuities under section 1 of the Superannuation Act 1972 payable to or in respect of non-executive members in the sums payable out of money provided by Parliament under the Superannuation Act 1972.

Chief executive and other staff

5 (1) The first chief executive is to be appointed by the Secretary of State on conditions of service determined by the Secretary of State, after consulting the chair.

(2) Subsequent chief executives are to be appointed by the IfA after consulting the Secretary of State.

(3) The chief executive must not be appointed for a term of more than five years.

(4) The previous appointment of a person as chief executive does not affect the person's eligibility for re-appointment.

(5) The chief executive holds that office as a member of staff of the IfA.

(6) The IfA may appoint other members of staff.

(7) Service as a member of staff of the IfA is employment in the civil service of the State.

(8) The following are to be determined by the IfA with the approval of the Secretary of State—

(a) the number of members of staff of the IfA (in addition to the chief executive);

(b) the conditions of service of staff of the IfA.

(9) Sub-paragraph (8)(b) is subject to sub-paragraph (1).

Arrangements with Secretary of State

6 The Secretary of State and the IfA may enter into arrangements with each other for the provision to the IfA by the Secretary of State, on such terms as may be agreed, of staff, accommodation or services.

Committees

7 (1) The IfA may establish committees, and any committee established by the IfA may establish sub-committees.

(2) The IfA may—

(a) dissolve a sub-committee established under sub-paragraph (1), or

(b) alter the purposes for which such a sub-committee is established.

(3) In this Schedule a committee or sub-committee established under sub-paragraph (1) is referred to as an "IfA committee".

(4) An IfA committee must include at least two persons who are members of the IfA or its staff.

(5) The IfA may, with the approval of the Secretary of State, arrange for the payment of remuneration, allowances and expenses to any person who—

(a) is a member of an IfA committee, but

(b) is not a member of the IfA or its staff.

(6) The IfA must, if directed to do so by the Secretary of State, review—

(a) the structure of IfA committees, and

(b) the scope of the activities of each IfA committee.

Procedure

8 (1) The IfA may regulate—

(a) its own proceedings (including quorum), and

(b) the procedure (including quorum) of IfA committees.

(2) The validity of proceedings of the IfA, or of an IfA committee, is not affected by—

(a) a vacancy;

(b) a defective appointment.

Exercise of functions

9 (1) Subject to sub-paragraphs (2) and (3), the IfA may authorise any of the following to exercise functions on its behalf—

(a) a member of the IfA;

(b) a member of the IfA's staff;

(c) an IfA committee;

(d) any other person.

(2) The IfA may not authorise any of the functions under sections A2, A2A and A2E to A2I to be exercised on its behalf—

(a) under sub-paragraph (1)(c), by a committee a majority of the members of which are not members of the IfA's staff, or

(b) under sub-paragraph (1)(d).

(3) The IfA may authorise the exercise on its behalf of functions that have been—

(a) delegated to the IfA by directions under section ZA4, or

(b) conferred on the IfA by regulations under section ZA5,

only if and to the extent that the directions or regulations so provide.

Supplementary powers

10 (1) The IfA may—

(a) provide information or advice to any person in connection with any of the IfA's functions;

(b) co-operate or work jointly with any person where it is appropriate to do so for the efficient and effective performance of any of the IfA's functions;

(c) carry out research for the purposes of, or in connection with, the IfA's functions;

(d) do anything else that the IfA considers necessary or appropriate for the purposes of, or in connection with, its functions.

(2) The power in sub-paragraph (1)(d) is subject to any restrictions imposed by or under any provision of any Act.

(3) The IfA may not borrow money.

(4) The IfA may not, without the consent of the Secretary of State—

(a) lend money,

(b) form, participate in forming or invest in a company, or

(c) form, participate in forming or otherwise become a member of a charitable incorporated organisation (within the meaning of section 69A of the Charities Act 1993).

(5) In sub-paragraph (4) the reference to investing in a company includes a reference to becoming a member of the company and to investing in it by the acquisition of any assets, securities or rights or otherwise.

Accounts and reports

11 (1) The IfA must—

(a) keep proper accounts and proper records in relation to its accounts, and

(b) prepare in respect of each financial year a statement of accounts.

(2) Each statement of accounts must comply with any directions given by the Secretary of State as to—

(a) the information to be contained in it,

(b) the manner in which such information is to be presented, or

(c) the methods and principles according to which the statement is to be prepared.

(3) The IfA must send a copy of each statement of accounts to—

(a) the Secretary of State, and

(b) the Comptroller and Auditor General,

before the end of the month of August following the financial year to which the statement relates.

(4) The Comptroller and Auditor General must—

(a) examine, certify and report on each statement of accounts, and

(b) send a copy of each report and certified statement to the Secretary of State.

(5) The Secretary of State must lay before Parliament—

(a) a copy of each statement sent to the Secretary of State under sub-paragraph (3), and

(b) a copy of each report and certified statement sent to the Secretary of State under sub-paragraph (4).

(6) "Financial year" has the meaning given by section ZA6(6) (annual and other reports).

Application of seal and proof of documents

12 (1) The application of the IfA's seal must be authenticated by the signature of—

(a) the chief executive, or

(b) a member of the IfA who has been authorised by the IfA for that purpose (whether generally or specifically).

(2) A document purporting to be duly executed under the IfA's seal, or signed o n its behalf—

(a) is to be received in evidence, and

(b) is to be treated as executed or signed in that way, unless the contrary is proved.

Funding

13 (1) The Secretary of State may make grants to the IfA, or provide the IfA with any other kind of financial assistance, subject to any conditions that the Secretary of State considers appropriate.

(2) The conditions may, in particular—

(a) enable the Secretary of State to require full or partial repayment of sums paid by the Secretary of State if any of the conditions are not complied with;

(b) require the payment of interest in respect of any period during which a sum due to the Secretary of State in accordance with any of the conditions remains unpaid."

10 In Schedule 1 to the Superannuation Act 1972, in the list of "Offices", at the appropriate place insert—"Non-executive member of the Institute for Apprenticeships."

"Non-executive member of the Institute for Apprenticeships."

11 In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (public authorities) at the appropriate place insert—

"The Institute for Apprenticeships."

This new Schedule establishes the Institute for Apprenticeships and makes provision about its functions.

Amendment (a) to new schedule 2, at end of new section ZA6(2) insert "including—

(i) responses to any conclusions and recommendations of the select committee of the House of Commons with oversight of the Government Department responsible for apprenticeships;

(ii) a report on the progress made in increasing the opportunities for disadvantaged groups to access apprenticeships under the frameworks."

This Amendment would ensure progress made in increasing the opportunities for disadvantaged groups to access apprenticeships under the frameworks was reported and monitored.

Amendment (b) to new schedule 2, at end of new section ZA6(3) insert—

"as well as to the Business, Innovation and Skills and Education Select Committees of the House of Commons and any relevant sub-committee."

This Amendment would confirm reports produced by the Institute for Apprenticeships are read and reviewed by the relevant committees listed and enable them to raise any issues arising directly with Ministers as from the relevant Select Committees.

Amendment (c) to new schedule 2, at end of paragraph 2 of new schedule A1 insert—

'(1A) The Board of the Institute shall be broadly based, to take into account the experience and contribution of all interested parties, which will include—

(a) employers,

(b) further education providers and colleges,

(c) universities,

(d) relevant trade unions and

(e) local authorities.

(1B) The Board of the Institute shall have due regard to the equality implications of their role and functions, and in particular, that in the frameworks and regulations they approve, the need to encourage and expand opportunities for apprenticeships for BAME, people with disabilities and care leavers shall be prioritised."

Subsection (1A) is intended to ensure that there is a broad membership of the Board of the Institute, which encompasses and utilises the experience and expertise of all groups involved with, and crucial to, the successful promotion and delivery of apprenticeships. Subsection (1B) would lay a responsibility on the Board to encourage and expand opportunities for apprenticeships for BAME, people with disabilities and care leavers.

Government amendment 94.

Anna Soubry: We began our deliberations two weeks ago. Last week was meant to be the recess, but I imagine most of us were working. It is nice to have an opportunity to put that on the record.

The new Institute for Apprenticeships will help to deliver high-quality approved English apprenticeships within the context of the Government's £3 million target. It is a new body with no past involvement in apprenticeships. It is important to ensure that employers feel it is credible and reliable. An independent chair and board made up primarily of employers and business leaders and their representatives will lead the IfA, which is what it will be known as.

An employers-led IfA is essential for credibility and success. Mandating other groups to be included on the board could eventually exclude them. The IfA is already required to lay all reports before Parliament so they will be available to all Members. The annual Government letter could be used to ensure that Select Committees are sent their own copies. Apprenticeships, as we all know, are jobs. Government cannot impose a requirement on employers to employ certain groups over others.

I hope, therefore, that the Committee will accept that the new IfA is the right step forward. By way of example to give a little more detail, sector and assessment experts, academics and others will all help the IfA to carry out its functions with the best possible expert advice. Employer groups will continue to develop the content of standards and assessment plans, and they will ensure that they are fit for purpose. The IfA will accurately represent the needs of employers, which is fundamental to apprenticeship reforms, and to the success of apprenticeships.

It is right that so many apprenticeships are excellent but it is also the case that there is concern among employers that some apprenticeships are not tailored enough to their needs as well as to the wider needs of society. It is imperative that this is led by the very people who will provide those apprenticeships. It goes without saying that they will work hand in glove with the providers to ensure that they deliver what is needed by our employers. I do not intend to say much more on that at this stage.

12.30 pm

Kevin Brennan: The Minister is right to remind us that we debated apprenticeships two weeks ago, at the appropriate point in the Bill. People may have forgotten the reason we are debating this now, so it is worth reminding the Committee that it is because the Government were not able to get their amendments in on time to debate it at the appropriate place in the Bill. At that time, we tabled a new clause to create an institute for apprenticeships and we are still of the view that our proposal is better than the Government's and that it is more comprehensive, inclusive and extensive. That is why we are disappointed by the Government's proposal, although we will not vote against it as it is right to create this institute. It could be improved by some of the suggestions that we made in amendments (a), (b) and (c) that we tabled to the Government's new schedule 2.

Amendment (a) to new schedule 2 would ensure that progress made in increasing the opportunities for disadvantaged groups to access apprenticeships under the framework was reported and monitored. To avoid the risk of being tedious, because we discussed that earlier I will not rehearse those arguments again. I will simply refer anyone reading the record to our earlier debate.

Amendment (b) to new schedule 2 would confirm reports produced by the institute for apprenticeships are read and reviewed by the relevant Committees, which we list, and enable them to raise directly with Ministers any issues arising. We think that is important because Select Committees with responsibilities for apprenticeships must have the opportunity to scrutinise and recommend action based on the institute's work. I am interested to hear the Minister's view on that.

With amendment (c) we return again to an earlier discussion—we have had to debate this at the end because the Government's proposals were not ready in time. The amendment is intended to ensure that there is a broad membership of the board of the institute for apprenticeships. We discussed that extensively earlier so I will not repeat those arguments.

I would be interested to hear the Minister give the Government's response to our suggestions in amendment (b) before we conclude.

Anna Soubry: I do not think I am in a position to be able to do that, Ms Buck. I will have to write to the hon. Gentleman because I do not have that amendment in front of me, unfortunately. I do not think it is actually in the document I have, so I apologise for that. I am more than happy to take an intervention, which might enable the hon. Gentleman just to hand it over to me. I do not think he has it either.

The Chair: To help the Minister, we are on page 45.

Anna Soubry: I am not sure whether that is terribly helpful.

Kevin Brennan: On a point of order, Ms Buck. Is there any means by which we could perhaps return to the matter this afternoon, to give the Minister and her officials an opportunity to provide the answer we were looking for to the amendment, which we tabled in time, and which appeared in the appropriate part of the amendment paper?

The Chair: I believe that the Minister may now be in a position to respond.

Anna Soubry: My hon. Friend the Member for Charnwood is sitting behind me, standing in for my normal Parliamentary Private Secretary and doing an excellent job, because unfortunately my hon. Friend the Member for Rugby is extremely poorly at the moment—and now, by magic, I can assist the hon. Member for Cardiff West. The view of the Government is that we do not need legislation to send the reports to Select Committees. It is as simple as that.

That relates to what I said about the fact that the procedures already exist. We do not need legislation, because we can already do it. If we need to do it we will. I am sorry that something so simple has taken so long for me to answer.

Kevin Brennan: May I gently say to the Minister that a lot of give and take is always required in Committee, and we have our job to do in scrutinising the Bill and proposing Opposition amendments? The Government have their job, and the minimum requirement is to turn up prepared to discuss with the Committee every clause and every amendment that has been selected. That, if I may say so, is government 101.

It is becoming a little bit of a pattern that that preparation has not been done, and I do not know why it is so, but there have been a number of occasions where it seems as if the Minister does not have the full briefing that she should have in front of her. If I am being unkind I will withdraw that, but it is for other Members who watch our proceedings and for Committee members to decide what they think about it. However, it is the minimum requirement, if I may put it as gently as that, that we should receive a response to our amendment from the Government. We are trying to do our job and the Minister is trying to do hers. We need the preparation to be done in advance of our proceedings. On that basis, and to save further embarrassment, I will not press our amendment.

Question put and agreed to.

New clause 22 read a Second time and added to the Bill.

New Clause 23

THE INSTITUTE FOR APPRENTICESHIPS: TRANSITIONAL PROVISION

"(1) Subsection (2) applies to—

(a) any standard approved and published by the Secretary of State under section A2 of the 2009 Act before the appointed day;

(b) any plan which—

(i) relates to the assessment of a person's attainment of outcomes set out in a standard mentioned in paragraph (a), and

(ii) was approved and published by the Secretary of State for the purposes of that assessment before the appointed day.

(2) Such a standard or plan is to be treated on and after the appointed day as having been approved by the Institute for Apprenticeships under section A2A of the 2009 Act and published by it under section A2 of that Act (as amended by Schedule (The Institute for Apprenticeships)).

(3) A standard or plan within subsection (1) is to be treated for the purposes of section A2I of the 2009 Act (as inserted by Schedule (The Institute for Apprenticeships)) as having been approved by the Institute for Apprenticeship at the beginning of the appointed day.

(4) This section does not limit the provision that may be made under clause 37.

(5) In this section—

"the appointed day" means the day on which section A2A of the Apprenticeship, Skills, Children and Learning Act 2009 (inserted by Schedule (The Institute for Apprenticeships)) comes into force;

"the 2009 Act" means the Apprenticeships, Skills, Children and Learning Act 2009."—*(Anna Soubry.)*

This new Clause makes transitional provision relating to the establishment of the Institute for Apprenticeships.

Brought up, read the First and Second time, and added to the Bill.

New Clause 21

EXTENDED SUNDAY OPENING HOURS AND SUNDAY WORKING

"(1) The Sunday Trading Act 1994 is amended in accordance with subsections (2) to (4).

(2) In paragraph 2 of Schedule 1 (which restricts the opening hours of large shops on Sundays), after sub-paragraph (3) insert—

"(3A) Sub-paragraph (1) does not apply in relation to the opening of a large shop during any other period on a Sunday in accordance with a consent notice published under paragraph 2A (subject to sub-paragraph (4))."

(3) After that paragraph insert—

"Consent notices published by Sunday trading authorities

2A (1) The Sunday trading authority for an area may publish a notice (a "consent notice") in accordance with this paragraph providing for large shops in the authority's area to be permitted to do either or both of the following—

(a) to open on a Sunday for a continuous period of whatever number of hours is specified in the notice (in addition to the continuous period of six hours mentioned in paragraph 2(3));

(b) to open on a Sunday at specified times beginning earlier than, or ending later than, the times mentioned in paragraph 2(3).

(2) A consent notice published by a Sunday trading authority may apply in relation to the whole or any part of the authority's area.

(3) A Sunday trading authority may, by publishing a further notice, vary or revoke a consent notice that applies in relation to its area.

(4) Before varying or revoking a consent notice under sub-paragraph (3), a Sunday trading authority must give reasonable notice to occupiers of large shops whose opening hours on Sundays would be affected by the variation or revocation.

(5) Publication of a notice under this paragraph may take whatever form the authority publishing it thinks appropriate for the purpose of bringing the notice to the attention of occupiers of large shops in the area to which the notice relates.

(6) Subject to sub-paragraph (7), the Sunday trading authority for an area is the local authority for the area.

(7) In relation to the area of Greater London, the Sunday trading authority is the Mayor of London acting on behalf of the Greater London Authority."

(4) Accordingly—

(a) in paragraph 2 of Schedule 1 (restrictions on Sunday opening)—

(i) in sub-paragraph (1), for "and (3)" substitute ", (3) and (3A)";

(ii) in sub-paragraph (4), for "exemption conferred by sub-paragraph (3) above does" substitute "exemptions conferred by sub-paragraphs (3) and (3A) do";

(b) in paragraph 6 of that Schedule (duty to display notice), after "sub-paragraph (3)" insert "or (3A)";

(c) in paragraph 8 of that Schedule (defence to an offence of contravening opening restrictions), after "paragraph 2(3)" insert "or (3A)";

(d) in paragraph 1(a) of Schedule 3 (loading and unloading at large shops on Sunday morning: application), after "paragraph 2(3)" insert "or (3A)".

(5) Schedule (Sunday opening hours: rights of shop workers), which contains amendments of employment legislation relating to the rights of shop workers to opt out of working on Sunday, has effect."—*(Brandon Lewis.)*

This new Clause amends the Sunday Trading Act 1994, giving powers to local areas to extend Sunday trading hours for large shops (with a retail floor area greater than 280 square metres). The extended hours can apply to the whole or part of the local area. The new Clause also introduces a new Schedule to the Bill containing amendments to the Employment Rights Act 1996 and the Employment Act 2002 in relation to Sunday working.

Brought up, and read the First time.

The Minister for Housing and Planning (Brandon Lewis): I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss the following:

Government new schedule 1—*Sunday opening hours: rights of shop workers.*

"SCHEDULE

SUNDAY OPENING HOURS: RIGHTS OF SHOP WORKERS

Employment Rights Act 1996

1 The Employment Rights Act 1996 is amended as follows.

2 In section 41 (opted-out shop workers and betting workers), for subsection (3) substitute—

(3) In this Act "notice period", in relation to an opted-out shop worker or an opted-out betting worker, means—

(a) in the case of an opted-out shop worker who does shop work in or about a large shop, the period of one month beginning with the day on which the opting-out notice concerned was given;

(b) in any other case, the period of three months beginning with that day.

This subsection is subject to sections 41D(2) and 42(2)."

3 After section 41 insert—

"41A Notice of objection by shop workers to working additional hours on Sunday

(1) A shop worker may at any time give to his or her employer a written notice, signed and dated by the shop worker, to the effect that he or she objects to doing shop work for additional hours on Sunday.

(2) In this Part—

"additional hours" means any number of hours of shop work that a shop worker is (or could be) required to work under a contract of employment

on Sunday that are(or would be) in excess of the shop worker's normal Sunday working hours;

"objection notice" means a notice given under subsection (1).

(3) The "normal Sunday working hours" of a shop worker are to be calculated in accordance with regulations.

(4) Regulations under this section may provide—

(a) for the calculation to be determined (for example) by reference to the average number of hours that the shop worker has worked on Sundays during a period specified or described in the regulations;

(b) for a calculation of the kind mentioned in paragraph (a) to be varied in special cases;

(c) for the right to give an objection notice not to be exercisable in special cases (and subsection (1) is subject to provision made by virtue of this paragraph).

(5) Provision under subsection (4)(b) or (c) may, in particular, include provision—

(a) about how the calculation of normal Sunday working hours is to be made in the case of a shop worker who has not been employed for a sufficient period of time to enable a calculation to be made as otherwise provided for in the regulations;

(b) for the right to give an objection notice not to be exercisable by such a shop worker until he or she has completed a period of employment specified or described in the regulations.

(6) But regulations under this section may not include provision preventing a shop worker who has been continuously employed under a contract of employment for a period of one year or more from giving to the employer an objection notice.

(7) Regulations under this section may make different provision for different purposes.

41B Explanatory statement: persons who become shop workers

(1) This section applies where a person becomes a shop worker who, under a contract of employment, is or may be required to do shop work on Sundays.

(2) The employer must give to the shop worker a written statement informing the shop worker of the following rights—

(a) the right to object to working on Sundays by giving the employer an opting-out notice (if section 40 applies to the shop worker);

(b) the right to object to doing shop work for additional hours on Sundays by giving the employer an objection notice.

(3) The statement must be given before the end of the period of two months beginning with the day on which the person becomes a shop worker as mentioned in subsection (1).

(4) An employer does not fail to comply with subsections (2) and (3) in a case where, before the end of the period referred to in subsection (3), the shop worker has given to the employer an opting-out notice (and that notice has not been withdrawn).

(5) A statement under this section must comply with such requirements as to form and content as regulations may provide.

(6) Regulations under this section may make different provision for different purposes.

41C Explanatory statement: shop workers at commencement date

(1) This section applies where—

(a) under a contract of employment a shop worker is or may be required to do shop work on Sundays, and

(b) the shop worker was employed under that contract on the day before the commencement date.

(2) The shop worker's employer must give to the shop worker a written statement informing the shop worker of the rights mentioned in section 41B(2).

(3) The statement must be given before the end of the period of two months beginning with the commencement date.

(4) An employer does not fail to comply with subsections (2) and (3) in a case where, before the end of the period referred to in subsection (3), the shop worker has given to the employer an opting-out notice (and that notice has not been withdrawn).

(5) A statement under this section must comply with such requirements as to form and content as regulations may provide.

(6) Regulations under this section may make different provision for different purposes.

(7) In this section "commencement date" means the date appointed by regulations under section38 of the Enterprise Act 2016 for the coming into force of section (Extended Sunday opening hour and Sunday working)(5) of, and Schedule (Sunday opening hours: rights of shop workers) to, that Act.

41D Failure to give explanatory statement under section 41B or 41C

(1) This section applies if an employer fails to give to a shop worker a written statement in accordance with—

(a) section 41B(2) and (3), or

(b) section 41C(2) and (3).

(2) If the shop worker gives to the employer an opting-out notice, the notice period under section 41(3) that applies in relation to the shop worker is varied as follows—

(a) if the notice period under that provision would have been one month, it becomes 7 days instead;

(b) if the notice period under that provision would have been three months, it becomes one month instead.

(3) If the shop worker gives to the employer an objection notice, the relevant period under section 43ZA(2) that applies in relation to the shop worker is varied as follows—

(a) if the relevant period under that provision would have been one month, it becomes 7 days instead;

(b) if the relevant period under that provision would have been three months, it becomes one month instead."

4 (1) Section 42 (explanatory statement) is amended as follows.

(2) In the heading, after "statement" insert ": betting workers".

(3) In subsection (1) omit "shop worker or".

(4) In subsection (2)—

(a) in paragraph (a) omit "shop worker or";

(b) in paragraph (b)—

(i) after "the" omit "shop worker or";

(ii) omit "an opted-out shop worker or".

(5) In subsection (3) omit "shop worker or".

(6) Omit subsection (4).

(7) In subsection (6)—

(a) for "forms" substitute "form";

(b) for "subsections (4) and (5)" substitute "subsection (5)".

5 In the heading of section 43, after "work" insert ": opting-out notices".

6 After section 43 (in Part 4) insert—

"43ZA Contractual requirements relating to working additional hours on Sundays: objection notices

(1) Where a shop worker gives to his or her employer an objection notice, any agreement entered into between the shop worker and the employer becomes unenforceable to the extent that—

(a) it requires the shop worker to do shop work for additional hours on Sunday after the end of the relevant period, or

(b) it requires the employer to provide the shop worker with shop work for additional hours on Sunday after the end of that period.

(2) The "relevant period" is—

(a) in the case of a shop worker who is or may be required to do shop work in or about a large shop, the period of one month beginning with the day on which the objection notice is given;

(b) in any other case, the period of three months beginning with that day.

This subsection is subject to section 41D(3).

(3) A shop worker who has given an objection notice may revoke the notice by giving a further written notice to the employer.

(4) Where—

(a) a shop worker gives to the employer a notice under subsection (3), and

(b) after giving the notice the shop worker expressly agrees with the employer to do shop work for additional hours on Sunday (whether on Sundays generally or on a particular Sunday),

the contract of employment between the shop worker and the employer is to be taken to be varied to the extent necessary to give effect to the terms of the agreement.

(5) The reference in subsection (1) to any agreement—

(a) includes the contract of employment under which the shop worker is employed immediately before giving the objection notice;

(b) includes an agreement of a kind mentioned in subsection (4), or a contract of employment as taken to be varied under that subsection, only if an objection notice is given in relation to the working of additional hours under that agreement or contract as varied.

43ZB Interpretation

(1) In this Part—

"additional hours" has the meaning given in section 41A(2);

"large shop" means a shop which has a relevant floor area exceeding 280 square metres;

"objection notice" has the meaning given in section 41A(2);

"regulations" means regulations made by the Secretary of State.

(2) In the definition of "large shop" in subsection (1)—

(a) "shop" means any premises where there is carried on a trade or business consisting wholly or mainly of the sale of goods;

(b) "relevant floor area" means the internal floor area of so much of the large shop in question as consists of or is comprised in a building.

(3) For the purposes of subsection (2), any part of the shop which is not used for the serving of customers in connection with the sale or display of goods is to be disregarded.

(4) The references in subsections (2) and (3) to the sale of goods does not include—

(a) the sale of meals, refreshments or alcohol (within the meaning of the Licensing Act 2003) for consumption on the premises on which they are sold, or

(b) the sale of meals or refreshments prepared to order for immediate consumption off those premises."

7 After section 45 insert—

"45ZA Sunday working for shop workers: additional hours

(1) Subsection (2) applies where a shop worker has given an objection notice to his or her employer and the notice has not been withdrawn.

(2) The shop worker has the right not to be subjected to any detriment by any act, or any deliberate failure to act, by the employer done on the ground that the shop worker refused (or proposed to refuse) to do shop work for additional hours on Sunday or on a particular Sunday.

(3) Subsection (2) does not apply to anything done on the ground that the shop worker refused (or proposed to refuse) to do shop work for additional hours on any Sunday or Sundays falling before the end of the relevant period.

(4) A shop worker has the right not to be subjected to any detriment by any act, or any deliberate failure to act, by his or her employer on the ground that the shop worker gave (or proposed to give) an objection notice to the employer.

(5) Subsections (2) and (4) do not apply where the detriment in question amounts to dismissal (within the meaning of Part 10).

(6) For the purposes of this section, a shop worker who does not do shop work for additional hours on Sunday or on a particular Sunday is not to be regarded as having been subjected to any detriment by—

(a) a failure to pay remuneration in respect of doing shop work for additional hours on Sunday which the shop worker has not done, or

(7) Subsections (8) and (9) apply where—

(a) an employer offers to pay a sum specified in the offer to a shop worker if he or she agrees to do shop work for additional hours on Sunday or on a particular Sunday, and

(b) the shop worker—

(i) has given an objection notice to the employer that has not been withdrawn, or

(ii) is not obliged under a contract of employment to do shop work for additional hours on Sunday.

(8) A shop worker to whom the offer is not made is not to be regarded for the purposes of this section as having been subjected to any detriment by any failure—

(a) to make the offer to the shop worker, or

(b) to pay the shop worker the sum specified in the offer.

(9) A shop worker who does not accept the offer is not to be regarded for the purposes of this section as having been subjected to any detriment by any failure to pay the shop worker the sum specified in the offer.

(10) In this section—

"additional hours" and "objection notice" have the meanings given by section 41A(2);

"relevant period" means the period determined by section 43ZA(2) (but subject to section 41D(3))."

8 After section 101 insert—

"101ZA Shop workers who refuse to work additional hours on Sunday

(1) Subsection (2) applies where a shop worker has given an objection notice that has not been withdrawn and he or she is dismissed.

(2) The shop worker is to be regarded for the purposes of this Part as unfairly dismissed if the reason (or the principal reason) for the dismissal is that he or she refused, or proposed to refuse, to do shop work for additional hours on Sunday or on a particular Sunday.

(3) Subsection (2) does not apply where the reason (or principal reason) for the dismissal is that the shop worker refused (or proposed to refuse) to do shop work for additional hours on any Sunday or Sundays falling before the end of the relevant period.

(4) A shop worker who is dismissed is to be regarded for the purposes of this Part as unfairly dismissed if the reason (or principal reason) for the dismissal is that the worker gave (or proposed to give) an objection notice to the employer.

(5) In this section—

"additional hours" and "objection notice" have the meanings given by section 41A(2);

"relevant period" means the period determined by section 43ZA(2) (but subject to section 41D(3))."

9 In section 236 (orders and regulations), in subsection (3) after "27B," insert "41A that include provision under subsection (4)(c) of that section,".

Employment Act 2002

10 In section 38 of the Employment Act 2002 (failure to give statement of employment particulars etc)—

(a) in subsection (2)(b), after "change)" insert "or under section 41B or 41C of that Act (duty to give a written statement in relation to rights not to work on Sunday)";

(b) in subsection (3)(b), after "1996" insert "or under section 41B or 41C of that Act"."

This new Schedule contains amendments to employment legislation. The amendments: (a) shorten the notice period for opting out of Sunday work in the case of shop workers at large shops, (b) confer a new right to object to working additional hours on Sunday, (c) require employers to give statements explaining those rights, (d) confer protections against detriment and unfair dismissal for refusing to work additional hours on Sunday, and (e) provide for fines in tribunal proceedings if there is a failure to give explanatory statements.

Government amendment (a) to new schedule 1, after paragraph 4(4)(b) insert—

"(c) in the words after paragraph (b), omit "shop worker or"".

This is a technical amendment of NS1 which removes a further reference to a shop worker from section 42 of the Employment Rights Act 1996 (as that section is to apply only to betting workers as a consequence of other amendments made by this New Schedule).

Government amendment (b) to new schedule 1, in new section 43ZB(4)(a), after "2003" insert

"or, in relation to Scotland, the Licensing (Scotland) Act 2005 (asp 16)".

This is a technical amendment that provides for a definition of "alcohol" in relation to Scotland by reference to the relevant legislation of the Scottish Parliament.

Government amendments 76 and 77.

The Minister for Housing and Planning (Brandon Lewis): It is a pleasure to make my first outing under your chairmanship, Ms Buck, even just for these last few minutes before we move on to the afternoon sitting.

In the 20 years since the Sunday Trading Act 1994 was passed, the nature of retail has changed. For example, internet retailers now operate 24 hours a day, seven days a week, and the working patterns of families have changed, so many now want greater flexibility about when they shop. New clause 21 devolves the power to extend Sunday trading hours to local authorities. That includes unitary authorities and district councils that are not unitary authorities across England and Wales, the elected Mayor of London and future mayors resulting from future devolution deals, including the Mayor of Greater Manchester.

Let me be clear. The Government will not dictate to local leaders how they should use the power. We are putting decision-making powers where they should be: in the hands of local leaders. Councils will be able to decide for themselves whether it is effective and appropriate to extend Sunday trading hours in their area, reflecting the needs of local businesses and communities and the shopping habits and economic conditions of the locality.

We have seen the rise of the internet, particularly in the past few years. As the Minister for high streets in the previous Parliament, I know from talking to retailers just how fast online retail is moving. In the UK, we already have the largest online market in Europe, and online sales have continued to increase, reaching 15% of total retail sales in 2015. Things are moving very quickly.

Local leaders will be able to use the consent notice to zone their local area, if they wish. That enables them, for example, to support local traders and independent shops in a focused way in and around high streets and market squares, helping them to compete with online retailers. Retailers in the west end and Knightsbridge—*[Laughter.]* While Members on the Opposition Benches laugh, I think they should listen to the figures, so that they realise just how important this matter is. Those retailers estimate that opening for just two extra hours on a Sunday would bring economic benefits in the region of between £190 million and £290 million annually. Those retailers also estimate that up to 2,160 full-time equivalent jobs would be created. Just think about what that could mean right across the country, not least in areas that have the opportunity to see real benefit, particularly given that Sunday is now the biggest online retailing day of the week. Devolving the powers will provide greater flexibility for businesses and shop workers and reduce prices for consumers. It will drive competition and productivity, creating jobs and boosting local economies.

Some shop workers are keen to have the opportunity to work longer hours on a Sunday. For them, the weekend represents the best or, in some cases, only time they can work. For example, it may be easier for them to access childcare or they may be students looking for extra or more part-time work.

Members will no doubt know that we have heard from many respondents with concerns that shop workers could be pressured to work on Sundays or to work more hours on a Sunday than they may want to, at the expense of important time with the family, for caring responsibilities or for religious observance. I am clear and up front that we recognise the need for effective protections for shop workers who do not want to work on Sundays or who do not want to work longer hours on Sundays. That is why new clause 21 introduces new schedule 1, which delivers significant strengthening of the rights for shop workers in England, Wales and Scotland by amending the Employment Rights Act 1996 and the Employment Act 2002. The new schedule reduces the notice period for shop workers to opt out of Sunday working altogether from three months to one month in large shops. We recognise that there is a bigger challenge for small shops, so they will need longer to find alternative staffing. The new schedule creates a new right for shop workers to opt out of working more than their normal Sunday working hours subject to one month's notice for large shops and three months' notice for small shops.

Catherine McKinnell *rose—*

Mary Creagh *rose—*

Brandon Lewis: I will give way in one second; I just want to finish the last point. The new schedule updates the obligation on employers to notify shop workers of their rights by specifying in regulations the form and content of the explanatory notice that employers must provide to existing and new shop workers. It also strengthens the consequences for failure to comply in some important ways.

Catherine McKinnell: The Minister talks about rights for shop workers, but surely he must understand that rights are only as good as the ability to use and enforce them. I could make many points, and I will when I make my speech, but one point I must make is that the Government have made it increasingly difficult for any employee to enforce their rights at work, so much of what he is saying is meaningless.

Brandon Lewis: The hon. Lady will be pleased to know that what I was just about to outline is a direct response to the point she raised. It is important that people are aware of their rights so that they can exercise them, which is why we are strengthening the consequences for failure to comply in two important ways. First, where the employer fails to comply with the notification requirement, the notice period for both opt-outs will reduce automatically from one month to just seven days for large shops, and from three months to one month for small shops. Secondly, we are enabling an employment tribunal to make a minimum award of two weeks' pay if an employer is found to have failed to notify shop workers of their opt-out rights in the context of a related successful claim. In due course I shall explain how shop workers will be able to exercise and understand their rights.

12.45 pm

Catherine McKinnell: What work have the Government undertaken to assess how many shop workers are currently able to exercise their existing rights to exempt themselves from Sunday working in order to inform these measures which, supposedly, protect employees who do not want to work on Sundays?

Brandon Lewis: All shop workers have that right, but my view is very much that we need to ensure that it is more transparent and that they have a better understanding. To exercise rights, people need to know what they are.

New schedule 1 provides powers to make regulations about the meaning of "normal Sunday working hours" and the form and content of explanatory notices. Amendment 76 will enable those powers to come into force on Royal Assent and allow the Government to pass the regulations, but naturally we intend the regulations themselves to come into force with the provisions on Sunday trading hours and the improvements to shop workers' rights. We intend to define a shop worker's "normal Sunday working hours" as an average over a number of Sundays, so that the phrase means essentially what it says but is specific enough that both the shop worker and the employer know where they stand. We will publish draft regulations and invite views from stakeholders to take into account issues such as seasonal work.

On the hon. Lady's very fair point, our intention on the form and content of explanatory notices to shop workers is that as well as being updated, they will be in clearer English than the text in the existing legislation so that shop workers can clearly understand their rights and will be able to exercise them. We also intend to include pointers to sources of further information and advice, such as the ACAS helpline, guidance on gov.uk or, indeed, the relevant union. The changes amount to substantial improvements to shop workers' rights.

Catherine McKinnell: In explaining the purpose of the clause, the Minister is shining a light on the big problem that the provisions will present to many shop workers in trying to remedy the situation in advance. He must recognise, though, that many shop workers do not want to enter into a dispute with their employer over this issue. Perhaps the Government should think again about whether they should introduce changes that will put both shop workers and their employers into a difficult position.

Brandon Lewis: Actually, we are enhancing the position for both employers and shop workers. We are improving shop workers' rights and giving better access to and understanding of those rights; we are putting a bigger duty on employers to notify their staff of their rights; we are increasing the penalty for employers who do not abide by the rules; and, importantly, we are giving wider opportunity and choice to local economies and people who wish to work longer on a Sunday or to spend time with their families either by shopping on a Sunday or before or after they have shopped.

Let me be clear to the Committee more generally: if a shop worker suffers detriment, or is dismissed for exercising, or even just planning to exercise, their opt-out rights, the employer will be breaking the law. It is important that that is on the record so that anyone can see it.

Bill Esterson: How does the Minister envisage the rules being enforced? One concern that has been expressed is that the Government can legislate all they want on these sorts of things, but in the end it comes down to the balance of the relationship and whether anyone is prepared to challenge their employer. When a law has been broken, it comes down to whether anything meaningful—anything with teeth—can be applied. How will it work and how realistic are the proposals?

Brandon Lewis: I say gently to the hon. Gentleman that, if during the lunch break he looks back over what I said just a few moments ago, he will see that we are increasing the penalties on employers who do not abide by the rules. Not only are we increasing the financial penalty and, therefore, the benefit for an employee who is unfairly treated, but we are giving further responsibilities to the employer on the notice period that they need to give.

It is important that people understand what workers' rights are, which is why we are increasing the number of ways for people to understand them and know how to exercise them. I say it again: a very large number of people in this country want to work longer hours and want the flexibility to be able to work more hours on a Sunday as opposed to other hours in the week.

Some retailers I have spoken to have been clear that in some areas Sunday is the easiest day of the week for them to recruit staff who want to work. It is good for family opportunities, and it is particularly good for women and students who want to work. We want to ensure that we create that opportunity for more local areas so that they have economic growth and create more jobs, and so that there are more opportunities for people to work if they want to, all while retaining the flexibility for both the local area and shop workers to have the choice.

Bill Esterson *rose—*

Brandon Lewis: I can see that the hon. Gentleman is very keen to intervene again.

Bill Esterson: Well, it is an incredibly important point. I was talking about the penalties. How likely is it that the rules will be enforced and the penalties used? We are told that there has been an impact assessment, but it has not been published yet, so we are in the dark as to just how effective the remedies are going to be.

Brandon Lewis: I will admit that it is some years since I was working in employment law, but the laws have been around for a long time. The process by which employees can use their rights has been there and has been developing and evolving for a long time. We are developing it further by increasing employees' rights.

Not only Conservative but Labour local authorities are keen to have these powers so that they can see their local areas grow and have that flexibility. Ultimately, I feel so passionately about this not only because of the opportunity to see high streets flourish when they can compete with online shopping, which is growing exponentially—not only can we now shop online on Sundays, but companies will deliver at any hour on a Sunday, so we need to give our high streets that chance—but because it is about devolving power, moving it from central Government to where it matters: local communities.

I shall now touch briefly on the technical amendments we have tabled. Amendment (a) to new schedule 1 amends the new schedule to remove an additional reference to a "shop worker" from section 42 of the Employment Rights Act 1996. To be clear, that is simply because, as a consequence of the changes we are making, that section will no longer apply to shop workers. Amendment (b) to new schedule 1 amends the new schedule to provide for a definition of "alcohol" in relation to Scotland by reference to the relevant legislation of the Scottish Parliament. Finally, amendment 77 amends the long title of the Bill to include reference to the Sunday trading provisions.

Kevin Brennan: The Minister said it might be worth while if, over the lunch break, we were to look at what he said earlier. Would he be able to provide us with a copy of his notes? Otherwise we will have to rely on what we heard. We can do that, but he did offer.

Brandon Lewis: I can repeat what I said for the hon. Gentleman very clearly. First, where the employer fails to comply with the notification requirement, the notice period for both opt-outs will reduce automatically: from one month to seven days at large shops, and from three months to one month at small shops. Secondly, we are enabling an employment tribunal to make a minimum award if an employer is found to have failed to notify shop workers of their opt-out rights in the context of a related successful claim. With that, I commend the new clause to the Committee.

Bill Esterson: Finally, we have the long-anticipated debate on Sunday trading. Until the eve of Committee stage, uncertainty reigned as to whether we would be debating it at all—as it was, of course, only the week before that the Secretary of State had announced that Sunday trading would be part of the Bill. From what the Minister just said, it seems that the new clause might be more correctly called the "Harrods clause", given that Knightsbridge is the only part of the country he could cite where there is support from the high street for the Government's proposals.

Brandon Lewis: As I am sure the hon. Gentleman will recollect, I explained the matter to him. Think of the impact across the country. Even in a constituency such as mine, where tourism in its high street is looking to compete with out-of-town shops and online, it is a massive opportunity. I gave an example to highlight just how big these numbers are and how many jobs will potentially be created. I hope he understands that.

Bill Esterson: Those are points I will come to. I did not know that Harrods had a shop in the Minister's constituency or that it contained the Knightsbridge of the east.

The other description might have been the "domino clause". The Minister talked about local leaders having the opportunity. The Opposition fully support the proper devolution of powers and responsibilities, and the ability to make a difference in the local area. Although he talked about local leaders, he did not talk about the views of the local community, the workers affected or the small independent retailers and the impact the proposals will have on many small shops.

The problem is that, when talking to local authority leaders and chief executives, as some organisations have done, one main reason given for saying they may well end up implementing these provisions is that they feel they have no choice. Their neighbours having allowed Tesco, Asda or out-of-town shopping centres to have extended opening hours on a Sunday, they fear that loss of trade within their own boundaries will force them down the route of using these provisions in their own local authority area.

The Government knew full well that any attempt to reform Sunday trading legislation would spark significant debate and opposition from a wide range of stakeholders. The Prime Minister's spokeswoman wrote on 20 April last year to the campaign group Keep Sunday Special assuring them that the Conservatives had no plans to relax Sunday trading laws. Indeed, it was not in the Conservative party manifesto. She wrote:

> "I can assure you that we have no current plans to relax the Sunday trading laws. We believe that the current system provides a reasonable balance between those who wish to see more opportunity to shop in large stores on a Sunday, and those who would like to see further restrictions."

There we have it. Presumably, in the Conservative party, the Government and the previous coalition Government, when the Prime Minister's official spokesperson spoke it was on his behalf and we should take as gospel what she said at the time. The country as a whole should have trusted what we were told on 20 April. The Government knew this would be opposed and were that worried about it that they went so far as to reassure the country before the election that they had no plans to change Sunday trading laws. They knew it would be opposed, cause problems and break the consensus that had stood for 22 years, since the Sunday Trading Act 1994.

The amendments we are considering include a change to the name of the Bill in amendment 77, as the Minister has just said, to include Sunday trading. We have to wonder what is going on when a Bill started in the Lords and went through the entire Lords proceedings without any mention of Sunday trading. Only on Second Reading in this House was Sunday trading mentioned. In fact, it was so late that Members who oppose changes to Sunday trading did not even know the Bill would consider it.

I spoke to a number of Members on the Government Benches on the day of Second Reading and they had no idea that the issue was in the Bill because they were not in the Chamber to hear the Secretary of State mention

[Bill Esterson]

it in his opening speech. Had they been, they could have made their opposition clear and raised their concerns but there was no such opportunity for Government Members. That is a great shame.

Stephen Barclay (North East Cambridgeshire) (Con): With the leave of the Chair, I beg to move that the Committee be now adjourned.

Hon. Members: He hasn't finished!

The Chair: The hon. Gentleman is on his feet and will conclude his speech. He has the Floor.

Bill Esterson: My speech would take us all the way through the lunch period, which may not be popular with Members.

The Chair: I understand that Mr Esterson will have the opportunity to make a second speech if he wants to return to the topic later in the debate. He may wish to avail himself of that opportunity.

Bill Esterson: Thank you. I will take advantage of that.

Ordered, That the debate be now adjourned.—*(Stephen Barclay.)*

1.1 pm

Adjourned till this day at Two o'clock.