

**Friday
28 October 2022**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Friday 28 October 2022

House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: I wish to inform the House that I have received a letter from the hon. Member for Bexhill and Battle (Huw Merriman) informing me of his resignation as Chair of the Transport Committee, following his appointment to the Government. I shall announce arrangements for the election of a new Chair in due course.

Chris Clarkson (Heywood and Middleton) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 0, Noes 44.

Division No. 80]

[9.35 am

AYES

Tellers for the Ayes:
Chris Clarkson and

Peter Gibson

NOES

Anderson, Fleur
Andrew, rh Stuart
Bottomley, Sir Peter
Burghart, Alex
Carter, Andy
Chope, Sir Christopher
Coffey, rh Dr Thérèse
Coutinho, Claire
Daly, James
Elmore, Chris
Evans, Dr Luke
Firth, Anna
Fletcher, Katherine
Frazer, rh Lucy
Fuller, Richard
Griffith, Andrew
Halfon, rh Robert
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Sally-Ann
Hendrick, Sir Mark
Higginbotham, Antony
Hinds, rh Damian

Hollobone, Mr Philip
Jones, Mr Marcus
Kruger, Danny
McMorrin, Anna
Mohindra, Mr Gagan
Morgan, Stephen
Morrissey, Joy
Onwurah, Chi
Owen, Sarah
Pursglove, Tom
Quince, Will
Qureshi, Yasmin
Rodda, Matt
Saxby, Selaine
Siddiq, Tulip
Spencer, Dr Ben
Spencer, rh Mark
Tomlinson, Michael
Young, Jacob
Zeichner, Daniel

Tellers for the Noes:

Nigel Huddleston and
Stuart Anderson

Question accordingly negated.

Co-operatives, Mutuals and Friendly Societies Bill

Second Reading

9.46 am

Sir Mark Hendrick (Preston) (Lab/Co-op): I beg to move, That the Bill be now read a Second time.

May I begin by thanking the former Minister, the hon. Member for North East Bedfordshire (Richard Fuller), who is in the Chamber, for his time and effort—I am also grateful to civil servants for their time and effort—and for our fruitful discussions, which have led me to introduce the Bill in the Chamber? While the Bill does not cover the whole scope of what I wanted to achieve, the fact that the Government are willing to give their support to a key part of my proposals and instruct the Law Commission to conduct a review of legislation affecting co-operatives, mutuals and friendly societies is, in my view, major progress.

I first became active in the co-operative movement 40 years ago, when I bought a £1 share in the Norwest Pioneers Co-operative Society in 1982. The society had evolved from the actions of the original Rochdale Pioneers in 1884, and set up what is generally regarded as the first successful co-operative retail venture. The society was set up in the harshest times, when 19th-century industrial capitalism was on the rise. It was an age of child labour, exploitation and poverty. Sometimes owners of cotton mills paid their workers in tokens, which could only be spent in shops owned by the mill owners. In those shops, the food was often adulterated, so those pioneers set up their first shop in Toad Lane in Rochdale. It was an explicit example of self-help, which started a movement that is now global.

Co-operative societies then mushroomed to form dozens of co-operatives in many Lancashire towns and cities until the 1930s, when the Manchester, Salford and Stockport societies amalgamated to form the North West Co-operative Society. In July 1982, what became the Norwest Co-operative Society merged with the Pioneers Co-operative Society to form the Norwest Pioneers. I bought a share later that year. I would never have dreamed that 40 years later I would have the opportunity to stand here and propose a new piece of legislation that could help to preserve and protect members' assets accumulated, in many cases, over generations from potential predators who, in recent decades, have sought to take away those assets from members for their own personal profit and gain. That matters to me because co-operation and mutuality are about equity and fairness. The growth of co-operatives in the UK is an integral part of the levelling-up agenda; it can provide many thousands of new jobs in the economy; and it is complementary to the Government's growth agenda.

Alongside investor-owned firms, co-operatives, mutual insurers and friendly societies have an important part to play in the biodiversity of our economy. These businesses share their origins in self-help movements that are relevant to the economic and social challenges that people face today.

Dr Luke Evans (Bosworth) (Con): The hon. Gentleman is making a fantastic speech. In my constituency, in Hinckley and Bosworth we have several building societies spawned from the fact that we had shoe manufacturing

[Dr Luke Evans]

there. Does the hon. Gentleman agree that it is fantastic to have a mix of options for people? These organisations will often pick up people who may not be able to get finance and support they need, but because they have that local community connection they are able to make that judgment and give people the support they need; that should be welcomed.

Sir Mark Hendrick: I agree and commend the hon. Gentleman for his comments. Co-operatives spring up from local communities; they are bottom-up, grassroots organisations—certainly not top-down.

As I said, alongside investor-owned firms, co-operatives, mutual insurers and friendly societies have an important part to play in the biodiversity of our economy. They need a business environment that facilitates this: Government policy that understands and supports the mutual business difference; and legislation that is up to date, flexible and permits co-operatives, mutuals and friendly societies to undertake their purpose of serving their members' needs in the best way possible. Only by working in a modern and supportive business environment will co-operatives, mutuals and friendly societies be able to make a full contribution to the prosperity of our country by serving the interests of customers and citizens. Yet demutualisation remains a real and present threat to the mutual sector, which is, unfortunately, incentivised by the system.

My Bill is about giving mutuals the option to maintain mutual capital for the purpose it was intended. There is a fundamental distinction between the rights of members of a mutual society and members of an investor-owned company. Members of a company—shareholders—have the right both to a pro rata share of distributed profits, or dividends, based on their shareholding, and also to a pro rata share of the underlying value of the company. The more capital they own, the greater their share of the profits and of the value of the company. Members of a mutual society, by contrast, generally have neither of these rights, because in mutuals profits are generally not used as a mechanism for rewarding capital, and members of a mutual do not have any expectation of any entitlement to a share in the increased value of their society.

Since members of a mutual are not entitled to any share of its increased value, the amount by which the net asset value of a society exceeds the capital provided by members—commonly referred to as the “capital surplus on a solvent winding up”—has no specific owner. It is effectively a legacy asset, held by the society for future generations, and enables it to provide for, and invest in, its future. It is a core part of its mutual identity. It represents the trading surplus accumulated by previous generations of members participating in their society's business, in which they were always content to have no personal share. By implication, it is held for the benefit of future generations. Societies were originally set up not to make a capital surplus to reward members, but to provide goods and services for those who need them; that was the purpose, and this was the basis upon which previous generations have taken part in the trade.

Seen through the lens of investor-ownership, a capital surplus is a tempting asset—a windfall or unearned profit—which, if mutual members were to be replaced by

investor-shareholders, could be shared out among those shareholders. Capturing this asset is the usual incentive for a “demutualisation”, which is when a capital surplus or legacy asset is divided up between shareholders—when the mutual agreement between the former members, whereby they engaged in their society on the basis that they would not personally profit from its trade, is broken up. In short, it is when a mutual purpose for the common good is replaced by a profit-driven purpose for private benefit.

In UK law there is no generic or principled recognition of the value to wider society of mutuality or of the legacy asset of a mutual society. As a result, the ability to access legacy assets actively incentivises demutualisation.

Andy Carter (Warrington South) (Con): I am grateful to the hon. Gentleman for his speech and very supportive of his Bill. He talked about how the Bill would protect mutuals and co-operatives. Will he give us some examples of when things have gone as he suggests they could and some assets have been used for other purposes? I think that is at the heart of it, and any examples would be welcome.

Sir Mark Hendrick: I thank the hon. Member for his intervention. Actually, I will come to that later in my speech.

Provided that the relevant formal procedures are completed, including securing consent from a statutory minimum threshold of members, a demutualisation cannot be stopped. That threshold has been changed from time to time for different types of mutual societies to make demutualisation less likely, but those measures provide only partial protection. There is currently no statutory mechanism for ensuring that surpluses, which previous generations never intended to be a private reward for anybody, remain committed to that wider public purpose.

At the moment, legislation governing mutuals can incentivise demutualisation by permitting those legacy assets to be distributed. Legacy assets have often been built up over many generations of membership and can constitute a significant part of the working capital of the business. Current members typically have not contributed to that capital base but have enjoyed the benefits of previous years of successful trading. Most demutualisation attempts succeed, assisted by a significant power imbalance between the boards of mutuals and members.

The example of Liverpool Victoria last year shows that demutualisation attempts can, however, be defeated, even when proposed by a mutual's board. We should be wary of the interests that private equity is showing in mutuals across the world, attracted by the prospect of acquiring significant assets built up by generations of members. At present, it is not possible for an existing society, or those setting up a new society, to proscribe demutualisation. That leaves mutuals vulnerable to those simply aiming to liberate those legacy assets, sharing them out among people as they choose, and converting the business into an investor-owned company. That has resulted in much of the UK building society sector being lost and their businesses either failing or transferring to non-UK ownership. That has been bad for mutuality and bad for the economy, given the damage that it has caused to corporate diversity.

Demutualised former building societies were mostly absorbed into banks that failed during the financial crisis. None of the demutualised former building societies continued for long as an independent bank. They became part of larger listed banking groups or, in the cases of Northern Rock and Bradford & Bingley, failed in the financial crisis and were later nationalised. Moreover, those demutualisations converted some of the largest building societies at the time. The argument for demutualisation has proved to be bogus. It has not delivered the strong independent businesses that it was supposed to do, and the need for more capital is soon forgotten as the newly proprietary entities are generally merged into larger firms.

Diversity of ownership types and business models creates a corresponding diversity in forms of corporate governance, risk appetite and management, incentive structures, policies and practices, and corporate behaviours and outcomes. It also offers a wider choice for consumers and enhances competition that derives in part from the juxtaposition of different business models.

Legislation is needed to help UK mutuals to preserve their legacy for the purposes for which they were intended, to maintain and encourage greater corporate diversity, and to build a more resilient economy. Mutuals need to be able to incorporate appropriate measures into their constitutions which have a statutory basis, either at the point of establishment or thereafter, with an appropriate level of member approval. This will be even more important if the legislative reforms for co-operative and community benefit societies explained above are taken forward. To optimise the successful implementation of new legislation, properly recognising legacy assets for the benefits they bring will be an important ingredient for building confidence.

Many jurisdictions have acted to preserve mutual ownership by ensuring that assets are used only for the purpose for which they were intended. That ensures they cannot be distributed to members or third parties, and thus disincentivises demutualisation. Mergers, dissolutions and transfers of business are still permitted, so this arrangement does not hamper the evolution of business in any way. Ideally, such measures will be universal, but in some legal traditions that is considered problematic as it arguably alters members' ownership right retrospectively. It is not desirable to cut and paste legislation between different traditions, so solutions are required that respect the culture of different legal frameworks. To deal with that, simple legislation can be introduced in common law jurisdictions that would give every mutual the right to choose a constitution that preserves legacy assets for the purpose they were intended.

My Bill does that. My Bill disincentivises the raiding of legacy assets. Voluntary legislation will ensure that legacy assets are preserved for the purpose for which they were intended. It empowers mutual members to decide what should happen to assets on a solvent dissolution. It would match the best legislation that exists in many other countries. My Bill also: introduces a voluntary power to enable a mutual to choose a constitutional change, so that its legacy assets would be non-distributable; details precisely the destination of any capital surplus on a solvent winding up; outlines the procedures necessary to include such provisions in a mutual's rules; and inserts a statutory provision for the relevant rules to be unalterable. My Bill will define the

capital surplus as the amount remaining after deducting a mutual's total liabilities from its assets, including repayment of members' capital.

Dr Luke Evans: The hon. Gentleman is making a fantastic speech on how to protect from demutualisation, but it seems a very defensive way of looking at things. Will the Bill provide a chance for new innovations and further capital to be brought into the sector to help its members?

Sir Mark Hendrick: I thank the hon. Gentleman again for intervening. One proposal I did not take up and put to the Government was the idea of a new share for co-operatives that would allow them to develop in a way that they have not been able to before. Unfortunately, the Government are not at the moment able to do that, but it would bring in the additional capital to encourage the growth he talks about. I understand from the Government that it will be considered as part of a Law Commission review of the sector. The issue is on the agenda; it is just not included in the Bill at the moment.

My Bill will introduce new provisions to maintain the destination of the capital surplus to ensure that where a mutual's rules make the capital surplus non-distributable, any resolution to convert it into, amalgamate with or transfer engagements to a company shall also include a provision to transfer the capital surplus, as provided by the rules in the event of a solvent winding up. With the support of the House, we will be able to incorporate sensible amendments that ensure that this legislation works for the co-operative and mutual sector, and fits in with the Government's stated policy objectives.

In finishing, I would like to thank the Minister and his officials for their time devoted to holding discussions and their help in re-drafting parts of my Bill to our mutual satisfaction. I thank Peter Hunt and Mutuo for their help, advice and expertise throughout the time we have been working together on the Bill, and I thank the Co-operative party and the co-operative societies, mutuals and friendly societies that have engaged with me to give me the encouragement and enthusiasm to get to this stage. I look forward to working with parliamentarians from across the House to get the Bill through the forthcoming stages required to bring it into law.

Before I sit down, Mr Speaker, I would like to declare an interest as a Co-operative Member of Parliament and as a member of a co-operative society.

10.4 am

Peter Gibson (Darlington) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on moving the Second Reading of his Bill. Having had the pleasure of introducing my own private Member's Bill in the last Session, I know only too well what a privilege it is to be drawn in the ballot.

I thank the hon. Gentleman for taking the opportunity to raise the important issue of co-operatives, mutuals and friendly societies, which colleagues across the House have raised on several occasions. My hon. Friend the Member for Wycombe (Mr Baker) led a Westminster Hall debate on the issue last December, emphasising the opportunity to generate wealth through co-operatives and mutuals and the role that they can play in our levelling-up agenda. I know that the chair of the all-party

[Peter Gibson]

parliamentary group for mutuals, the hon. Member for Harrow West (Gareth Thomas), has endorsed the principles of the Bill; I commend the APPG's work to champion co-operatives, mutuals and friendly societies.

"Mutuals" is an umbrella term for organisations whose members have democratic control of their business and that are owned by and run for the benefit of members, with profits reinvested in the organisation or among the membership. They include co-operatives, mutuals and friendly societies, but for ease of reference I will use the umbrella term "mutuals."

Mutuals are fantastic business vehicles and are at the forefront of good behaviour when it comes to investing in people, developing skills and creating opportunities. Moreover, a range of co-operative models are increasingly being used as tools for community-led economic development, with people collaborating and pooling resources to improve their economic and social circumstances. Alongside that, educating and developing members is one of the fundamental principles of the co-operative model and is critical to making it effective. Mutuals are positioned as a potential tool to leverage the community support that we need to ensure that levelling up is a success in communities such as Darlington, and no doubt in the constituency of the hon. Member for Preston.

As I understand it, the UK has a comparatively smaller mutual sector than some other European economies. In its 2021 report, Co-operatives UK showed that there were more than 7,200 co-ops in the UK, employing approximately 250,000 people and with a combined turnover of £39.7 billion. In 2017, an estimated 11% of the UK's insurance market was provided by mutuals, compared with 52% in France and 47% in Germany. I also understand that the sector has been largely resilient to the problems caused by the covid-19 pandemic, and I welcome the 1.2% growth in the number of co-ops in 2020-2021.

The sector faces a number of challenges. Unlike companies and banks, mutuals are largely dependent on bank borrowing and on their own revenues, as they are unable to sell shares without losing member control. The ability of the UK's mutual sector to expand is therefore limited by its access to external finance. As the Ownership Commission noted in 2012:

"Legal limitations prevent many mutuals from raising...capital sums from their members."

The commission made three recommendations: that new capital instruments should be introduced to allow mutuals to raise external capital, that mutuals should be able to issue bonds to members, and that they should be able to count deferred shares as tier 1 capital if trading as a bank or building society. I would be grateful if the Minister outlined the Government's current thinking on those recommendations.

Many colleagues across the House will have received correspondence from constituents who are concerned about the proposed demutualisation of the financial services firm Liverpool Victoria. In December 2020, LV announced that US equity firm Bain Capital was in talks to acquire the business. The sale would have included the demutualisation of LV, with the mutual becoming a public limited company owned by shareholders

rather than by members. I understand that LV's chief executive argued that such a move was necessary to ensure the continuation of the business. However, in December last year the sale failed to gain the required support of 75% of LV members, with only 69% voting in favour. The potential need to demutualise LV exposes the difficulties that mutuals face when they need to raise capital. To protect those jobs, what action have the Government taken to ensure that LV can continue operating?

As I understand it, the Bill proposes legislative changes for share capital and non-distributable capital surplus. It would give mutuals the option of adopting a statutory provision guaranteeing that their residual capital surpluses are not distributable among members. The term "capital surpluses" means residual equity minus members' shareholdings and share interest. The provisions would not interfere with mutuals' ability to pay profits to members or to pay interest on share capital. I understand that the Bill would also enable mutuals to issue equity shares that are repayable at the option of the mutual, rather than being withdrawable at the option of shareholders. At present, mutuals looking to raise equity are hampered by legal uncertainty as to whether they can repay non-withdrawable shares at their option.

In preparing for this debate, I have been interested to read about comparable legislation abroad. Australia's Treasury Laws Amendment (Mutual Reforms) Act 2019 introduced new mutual capital instruments. I understand that, previously, mutual companies did not have the power to issue such shares. Under the 2019 Act, share owners in Australia are limited to one vote per member regardless of how many MCIs the owner holds. The Act also introduced a clarification that the issuing of MCIs does not amount to demutualisation by the organisation for tax purposes. I would be interested to hear the Minister's thoughts on that Act and its relevance to any legislation that might be appropriate for the UK's mutuals sector.

It would be remiss of me not to mention a fantastic example of a mutual in Darlington and to praise the work it does in and around Darlington. Darlington Building Society was established in 1856 and now has nine branches across the north-east, County Durham and North Yorkshire. It describes its mission as being

"to develop our staff, technology, customers, brand and place ourselves at the heart of the communities we serve."

This is a mission it undoubtedly achieves.

In September, a new play area, funded with a £15,000 donation from the Darlington Building Society, was unveiled at a Teesside school run by the North East Autism Society, which also freed up its staff to volunteer on my project to build a playground in Skerne Park in Darlington. I am also delighted that Darlington Building Society has announced a five-year deal to sponsor a new exhibition hall that will become a key feature of the Darlington rail heritage quarter, a £35 million project to create a national visitor destination as we fast approach the 200th anniversary of the Stockton and Darlington railway in 2025, marking the birth of the modern railway and a moment in history that changed the world. To quote Andrew Craddock, chief executive of Darlington Building Society:

"At Darlington Building Society, we are passionate about helping the members we have today, but we are also committed to encouraging the members of tomorrow to get into the saving

habit. That's why financial education is such an important part of what we do. As well as going into local schools, The Exhibition Hall will give us fresh opportunities to stage educational workshops in an engaging environment that is steeped in history."

I warmly welcome this commitment to preserving and showcasing our local rail heritage in Darlington.

Darlington Building Society also has a long-term commitment to donate 5% of its profits to good causes, as well as freeing up staff time to volunteer in the community. In 2022 the building society has so far donated a total of £172,000 to local charities and community organisations. In September alone, Darlington Building Society donated £36,050.

If you will indulge me, Mr Speaker, that donation included: £8,000 to help combat food poverty this Christmas by providing 200 families with food hampers; £5,000 for Rubies GLOW project, which provides a safe space for girls to meet, receive support and develop self-confidence; £5,000 for Red Balloons, which helps to promote positive mental health through exercise and free guided walks; £7,200 for Wheels 2 Work, which is helping more than 40 people get into and stay in employment by providing mopeds and scooters; £2,400 for Studio Burn Fitness; £4,200 for Trinity Youth; £2,000 for Beyond Limits; £1,000 for Angel Trust; £500 for the North Yorkshire scout council; £250 for the Cockerton community business group; and £300 for Darlington Railway Athletic football club.

I would also like to draw the House's attention to Darlington Credit Union, a community financial co-operative founded in 2009, following the merger of four smaller credit unions. Since then, it has grown to serve the whole of the north-east. It performs a vital community function, by being a source of affordable loans, which help people to avoid loan sharks. Darlington Credit Union faced an uncertain future in the wake of the pandemic, but Darlington Building Society, another of our mutuals, came to the rescue by providing crucial financial support and ongoing expert guidance on a voluntary basis. That really is a testament to how embedded in the community Darlington Building Society is. That is just the tip of the iceberg when it comes to the community work that Darlington Building Society engages in, and were I to list all of its achievements, I fear I would be on my feet all day. It is a fantastic example of the good that mutuals can do in our communities, and I want to put on the record my praise for its work in Darlington.

Returning to the Bill, I want to be clear that I fully support its principles. As I have outlined, mutuals have a hugely important role to play in our communities, in terms of education, engagement, charity and, fundamentally, the financial services they offer. It is also hugely important that we ensure that there is diversity in the financial services sector and that mutuals are able to raise the capital they need more easily without the need for demutualisation. I also note that both Co-operatives UK and Mutuo, an advocacy organisation for mutuals, also support the principles and aims of the Bill. There is clearly a significant appetite for reforms for the mutuals sector. I also note that Co-operatives UK has suggested that these reforms would have a significant economic benefit if they were to be introduced. I trust that the Minister has taken full note of that and will engage with the mutuals sector further on the matter.

I am pleased to be able to support this Bill, and I am grateful to the hon. Member for Preston for giving us the opportunity to debate these issues today. I know that he will continue to engage closely with Ministers as he continues to guide this Bill through its legislative journey, and I trust that the Minister will have listened closely to the contributions from across the House today. I look forward to his response.

Mr Speaker: We hear about the benefits of Darlington Building Society—it sounds as good as Chorley!

10.17 am

Anna McMorris (Cardiff North) (Lab): I am so pleased to see this Bill here today. As a proud Co-op Member, I truly hope it progresses to the next stages. I am also proud to have played my small part in getting it to where it is today. It is a version of the private Member's Bill I brought forward in 2020, so to see it proceed to the next stage would be incredibly heartening. Legislation that supports positive social and economic transformation has never been more necessary. As we live through turbulent times, politically and economically, it is essential that we create the right regulatory framework from which we can safeguard and grow our economy. There is a need to facilitate and to protect new capital in co-operatives, without compromising their co-operative nature and without members losing control. As we know, several barriers prevent co-operatives from growing to their full potential and place them at a disadvantage, at risk of demutualisation. This Bill provides a way to ensure that co-operatives and mutuals are not compromised.

The co-operative model is truly a British success story, as my hon. Friend the Member for Preston (Sir Mark Hendrick) has ably explained. It is also truly a Welsh one and it has been at the heart of economic renewal in Wales. Robert Owen, a prominent Welsh textile manufacturer, was one of the founders of the co-operative movement, with the creation of the villages of co-operation. Co-operation is a way of life in Wales. I am proud that in Wales, and under a Welsh Labour Government, we hold the values of co-operation, fairness and social responsibility closely within our communities and in how we govern.

It would have been nice to see the full version of the Bill proceed today to enable the raising of investment and shares. I hope we see that in future. I truly support and warmly welcome my hon. Friend's groundbreaking Bill and congratulate him on bringing it forward.

10.20 am

Chris Clarkson (Heywood and Middleton) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on bringing forward the Bill and I thank my hon. Friend the Member for North East Bedfordshire (Richard Fuller) for the amount of work he did on it—he has a lot to be proud of.

I should declare an interest: my Heywood and Middleton constituency is located in the Metropolitan Borough of Rochdale and includes the western third of the town. As Members will be aware, Rochdale is the home of co-operativism—I am almost certain I can hear someone furiously typing on Twitter to tell me that it did not start in my constituency, but we were certainly among the first—so this subject is very dear to me.

[Chris Clarkson]

I have something else in common with the hon. Member for Preston: we are both alumni of Salford City Council, along with the much-missed Paul Goggins and the formidable Hazel Blears. Members can tell from that list that I am a bit of an outlier, as I sit on the Conservative Benches—

The Economic Secretary to the Treasury (Andrew Griffith): For the moment!

Chris Clarkson: There is form now for Greater Manchester MPs. [Interruption.] No, you are welcome to him.

Having begun with the founding of the Rochdale Society of Equitable Pioneers in 1844, the Co-operative Group is now a major employer nationwide, and particularly in Greater Manchester. Co-operativism is at the heart of our town and plays an important part in our wider national identity. It gives agency to workers, ensures fair trade practices and drives up the quality of products and services. The Rochdale principles by which most co-ops are guided—equity, anti-discrimination, participation and democratic control—are fundamentally British principles. The co-op was the at the nexus of modern society in this country. It educated people, gave them a voice and treated them as partners in their endeavours at a time when most workers could only dream of that kind of relationship with their employer.

As I said, co-operatives are not the only thing the hon. Member for Preston and I share, and Salford City Council is actually now a co-operative council, as he will know. When we discussed how to bring the Government's localism agenda to Salford, it was decided that the best way to proceed was as a co-operative council. That change has been hugely successful in including Salford's citizens in the way we run things. It has created credit unions and given people control over things such as childcare by making it affordable and accessible. There is a huge amount of benefit in how co-operatives work.

I am pleased the legislation acknowledges that although the co-operative movement started in the 1840s and is still going in the modern era, it needs a bit more flexibility to operate in the society in which we now live. Collectively, co-operatives and mutuals are worth roughly £40 billion to the economy and represent 250,000 jobs; the sector is relatively small compared with some of its foreign cousins, so there is a bit of work to do. More co-operatives would bring huge amounts of extra economic benefits to this country. There is a traditional view that because the Co-operative party is associated with the Labour party, co-operativism is a left-wing ideal, but it is not: it is apolitical in its operation. It is just a way to ensure that people can participate fairly in their endeavours.

The Bill will give co-operative societies the option to adopt a statutory provision that guarantees that their residual capital surpluses are non-distributable among members, without interfering with co-operative societies' ability to distribute profits to members or to pay interest on share capital. It also has the potential to enable significant new investment, innovation and development in a wide range of co-operatives. The hon. Member for Preston pointed out that that will be part of the review, and I would like to see that as well. It is a bit of a win-win: if we can make co-operatives more agile and

economically flexible, that can only be a good thing. By creating more optimal conditions for investment and asset growth in co-operative societies, setting the right boundaries and engaging with the appropriate motivations of entrepreneurs, members and investors, and preventing perverse incentives to destroy co-operative values, such as unnecessary demutualisation, the position of existing co-ops will be enhanced, offering greater market agility, boosting business investment and committing more capital surpluses to reinvest in economically, environmentally and socially productive enterprise. The Bill will enable societies to issue equity shares that are repayable at the option of the society, rather than being withdrawable at the option of shareholders. At present, societies looking to raise equity are hampered by legal uncertainty as to whether they can repay non-withdrawable shares at their option. Again, this should enhance the position of co-ops by reducing financial costs in the sector.

I thank the hon. Gentleman for introducing the Bill and providing options for a modern, more agile framework for co-operatives and mutuals to operate. I am very much looking forward to supporting this Bill as it goes forward.

10.25 am

Sally-Ann Hart (Hastings and Rye) (Con): It is a pleasure to speak on this Bill, which was introduced in this House on 15 June by the hon. Member for Preston (Sir Mark Hendrick), and I congratulate him on that.

Essentially, the Co-operatives, Mutuals and Friendly Societies Bill aims to make it easier for co-operatives to get more investment while retaining their democratic structures, ensuring that they work in the interest of, and are owned by, their members. It also brings friendly societies law up to date and establishes tax neutrality for mutuals' deferred shares.

I am proud of the work of mutuals such as the Hastings Mutual Insurance Company and the Hastings and East Sussex Building Society. The now de-registered Hastings Pier Charity in Hastings and Rye has done some great work locally. But I am not on an expert on them, so I did a bit of research before today. I was interested to learn that the term "mutual" is used as an umbrella term for several different ownership models. Mutuals are often described as being characterised by the extent to which members have democratic control of the business and share in its profits, in contrast to investor-controlled companies. This is a bit of a misleading distinction; all limited companies really operate for the benefit of their members—the shareholders who invest in a company limited by shares or the guarantors of a company limited by guarantee. These members are involved in the control of the business whether directly or through the scrutiny of the actions of the directors, or simply by buying and selling shares in response to the company's performance.

The distinguishing characteristic of a mutual is that the organisation is owned by and run for the benefit of its members, who are actively and directly involved in the business—whether it is employees, suppliers, or the community or consumers that it serves—rather than being owned and controlled by outside investors.

Mutuals can be based on a variety of different legal structures. Even limited companies, partnerships and limited liability partnerships are essentially mutual because

the partners own and run the business for their own benefit. There is also an incorporated legal structure, which is specifically mutual: the industrial and provident society. There are two types of these: co-operative societies and community benefit societies.

Co-operative societies operate for the benefit of their members, and distribute any surplus not reinvested in the business to those members. Community benefit societies conduct business for the benefit of their community. Any profits are not distributed among members, but returned to the community. They therefore provide a legal structure designed for social enterprise. However, not all co-operatives use those legal structures and many are, in fact, limited companies.

Although mutual ownership models may not be appropriate for all businesses, evidence shows that mutual models can form the basis for high-performing, profitable businesses, and deliver genuine business advantage. For example, mutual ownership can help to ensure that decisions are focused on the long-term sustainability of the business. Employee-owned mutuals often involve some form of employee engagement and participation, allowing employees a say in the running of the company. This can help to align the interests of management and employees, increase motivation and job satisfaction, and can be a means to raise new capital without going public.

Mutual ownership models and social enterprises offer a way for communities to share the wealth that businesses create more widely in the community, and, indeed, for communities to come together to solve problems. In Hastings and Rye, we have a number of successful and evolving social enterprises, including White Rock Neighbourhood Ventures, which is a joint venture between three social enterprise organisations: Meanwhile Space CIC, Jericho Road Solutions and Heart of Hastings CLT.

White Rock Neighbourhood Ventures owns Rock House, which was redeveloped as a mixed-use project, breathing new life into a previously underused building situated in the White Rock area of Hastings town centre. It is a large building and is home to living space, work space and a community hub. The redevelopment was funded by a number of organisations, including Big Issue Invest, Jericho Road Solutions, and the Government, through the former Ministry of Housing, Communities and Local Government, now the Department for Levelling Up, Housing and Communities. Rock House fosters creative enterprise and has generated jobs and self-employment, and is a real social enterprise asset to Hastings.

The Bill's proposed legislative measures involving share capital and non-distributable capital surplus would enable significant new investment, innovation and development to take place in a wide range of co-operatives for the purpose of greater economic, environmental and social impact. The current legislation governing the raising of capital for co-operatives is rather inflexible; the Bill would enable co-operatives to raise more money by issuing equity shares that are repayable at the option of the society, rather than being withdrawable at the option of the members. By introducing repayable shares, it would enable co-operatives to raise amounts in excess of the current £100,000 holding limit for withdrawable shares. It would provide legal certainty as to whether co-operatives can choose to repay non-withdrawable shares. It would also give co-operative societies the

option of adopting a statutory provision guaranteeing that their residual capital surpluses are non-distributable among members. However, the provisions would not interfere with co-operative societies' ability to pass profits on to members or to pay interest on share capital.

The accumulation and reinvestment of capital surplus is a feature of the co-operative model, as recognised internationally and in UK policy. For this reason, most co-operative societies include non-distributable capital surplus provisions in their rules. The issue is that these rules-based provisions fall short of the permanent legal guarantee sought by many co-operative entrepreneurs, investors and policymakers.

This legislative change would have a number of economic benefits. It would create better conditions for investment and asset growth in co-operative societies by setting the right boundaries and engaging with the appropriate motivations of entrepreneurs, members and investors, and by preventing perverse incentives to destroy co-operative value, such as unnecessary demutualisation; it would boost business investment by committing more capital surplus to reinvestment in economically, environmentally and socially productive enterprise; and it would give co-operative entrepreneurs more optimal choices of legal form, enabling innovation and impact to take place in the social economy.

These changes have the potential to lead to large capital-driven co-operative societies raising millions of pounds more each year in equity, which could then be used to invest in important initiatives, tackling issues such as decarbonisation, technology and the current cost of living crisis. This is compassionate capitalism at its best. The Bill has much merit, and it deserves our support.

10.33 am

Richard Fuller (North East Bedfordshire) (Con): Thank you, Madam Deputy Speaker, for calling me so early in the debate.

I congratulate the hon. Member for Preston (Sir Mark Hendrick) on the Bill, and thank him for his patience as his discussions evolve through the myriad manoeuvres within the Treasury. I add my thanks to Peter Hunt, the chief executive of Mutuo, for the benefit of his extensive knowledge of this sector. I also thank Treasury officials. Much has been said in recent months about Treasury orthodoxy, not always in a polite way. I should just like to point out that there are two aspects of Treasury orthodoxy. There is policy; that is a matter for politicians and Ministers, and of course we can have disagreements about it. But there is another Treasury orthodoxy, which is the way in which the civil servants in the Treasury work. In my brief time with them, I observed a level of dedication, hard work and responsiveness, and a spirit of public service, for which my constituents and the people of this country should be truly grateful. I thank them for that.

I know that you, Madam Deputy Speaker, as I do, would like to talk about my paper from 30 years ago about anomie and the way in which Max Weber has had such an important influence on organisational theory. We could talk at length about methodological individualism and the boundaries between an atomistic view of society and the limitations that places on effective co-operative action.

[Richard Fuller]

What it says, essentially, is that people come together in different ways to achieve shared objectives—as charities, as corporations, as Governments, as international organisations, as trade unions, as partnerships and, yes, as co-operatives, mutuals and friendly societies. Each of those organisational forms has its role in enabling us as individuals to fulfil our lives, achieve our objectives and, hopefully, create a better world for future organisations.

It is therefore an important responsibility of Government to maintain a structure of legislation that enables each of those organisational structures to thrive and prosper. Such organisations are the essential “little platoons” of the Burkean view of Conservative ideals and of the co-operative ideals of the Labour party. I congratulate the hon. Member for Preston on putting forward his Bill in such a way that I believe the Treasury Bench will be supportive; I look forward to hearing from my hon. Friend the Minister that that is his intention.

The hon. Member for Preston will be aware that several other issues need updating in the Friendly Societies Act 1992 and other associated legislation. The proposal in his Bill is a defensive one to protect organisations from the vagaries of time and the interests of passing individuals who may temporarily have power over the original principals of the organisations from when they were set up. He is absolutely right to point a way forward on that.

In the hon. Gentleman’s speech, however, he also talked about the positive way in which legislation can be changed to enable friendly societies, mutuals and co-operatives to play a bigger role in society—particularly, as my hon. Friend the Member for Bosworth (Dr Evans) said, in attracting new capital. It is for those purposes that I encourage the Minister to be clear today in his intention to ask the Law Commission to conduct that broader investigation in due course—but as urgently as possible—so that the Bill can be seen as the first step in a much more important set of steps to confirm the role of such organisations in our society.

10.38 am

Danny Kruger (Devizes) (Con): I am delighted to have the opportunity to speak on this important Bill. I congratulate the hon. Member for Preston (Sir Mark Hendrick), who is, as he said, a member of the Co-operative party. I wish I could be a member of the Co-operative party; I do not see why that should be confined to Labour Members. I would love there to be a Conservative and Co-operative Member, because the Conservative and co-operative tradition is very good and honourable.

The hon. Gentleman mentioned Rochdale, and I have visited the home of the Pioneers. He talked about the existence of predatory mill owners in the 19th century—the sort of capitalists who gave capitalism a bad name and have become caricatures. There was another tradition, of course, of a different sort of mill owner and capitalist, which was the Tory tradition that recognised that labour and capital were not equal in their relations and that labour did need some protections. Part of that was the tradition of the Earl of Shaftesbury and other reformers who legislated to protect workers against outrageous working conditions, but it was also Conservatives who legalised trade unions, mutuals, friendly societies and co-operatives. Disraeli’s Government did

that, because they recognised the importance, which my hon. Friend the Member for North East Bedfordshire (Richard Fuller) just mentioned, of enabling people to co-operate, to come together and to bargain together.

Both Labour and the Conservatives have a common heritage in this space, and a common enemy, the Liberal party, which in the 19th century was the party opposing factory reform and the legalisation of trade unions. They do not seem to be here today to discuss this important Bill.

However, I am afraid to say that it is also our two parties, Labour and the Conservatives, who are between them responsible for the sad decline in the 20th century of the co-op and mutual movements. One reason was the creation of the welfare state, which crowded out and effectively abolished many of the friendly societies and mutuals that had provided welfare and mutual support to working people, and I am afraid the other was my party, which in the 1980s and 1990s was responsible for the great demutualisation of building societies. I regret that.

There was a very interesting interview with Maurice Saatchi today in *The Times*, in which he reflects on what he thinks Margaret Thatcher would think of what has become of her great drive for competition in the finance sector and across industry, with the development of cartels in place of competition. This debate on this important Bill is an opportunity to remind ourselves of a different Conservative tradition, where we support these other forms of capital and enterprise.

Social enterprises are part of this, and community-owned businesses play a crucial role in our society. I put on record my appreciation for the social enterprise movement in this country, supported in its development, in many cases, by mutuals and friendly societies. Social enterprises and community-owned businesses are responsible for job creation in areas of deprivation, the jobs last and they provide the crucial spirit of enterprise and innovation that our left-behind areas need. There is an important role for social enterprise.

Also in pride of place, I am pleased to see my hon. Friend the Member for Bury North (James Daly). His role in saving Bury Football Club from liquidation in recent years is commendable, and that happened because of the efforts of people in Bury to form a new co-operative structure to take over the ownership of that football club that enabled it to be saved—as well as the role of the Government, of course, in providing capital for that and subsequently in the creation of the community ownership fund, inspired by what happened to Bury FC, which businesses in my constituency and across the country have benefited from.

I must briefly mention the role of mutual finance: there is a tremendous new bank being developed called Avon Mutual, serving the west of England. It is a modern, 21st-century mutual bank. I also place on record my delight that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)—he is not here today; presumably he is taking up a role in his new office—has been appointed to the Business Department. He is a great champion of the mutual tradition—[*Interruption.*] There he is. I thought I was praising him behind his back, but he is here to listen. I am very pleased that he has that role, because he is a tremendous champion of the importance of regional banks in supporting local economies, and I hope that is something he will take up in his new role.

I welcome the Bill, particularly the role it will play in creating an asset lock for mutuals. That is a crucial point, and an important lesson for those of us who believe in capitalism and the importance of free enterprise: not all capital is fungible. It is not appropriate to allow all capital to be blown to the four winds at the whim of speculators and investors. It is important sometimes to lock capital in the places where it belongs, for the benefit of the people it was invested for.

10.44 am

Selaine Saxby (North Devon) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on introducing this important Bill. In North Devon, co-operatives cover industries ranging from agriculture through to retail, recreation and housing. I was delighted this summer to see the power of a co-operative in action in the village of Parracombe on the edge of Exmoor, where the community has come together to build and staff a wonderful village shop and meeting place. Communities can achieve so much more when they are well organised and supported. I hope that in Parracombe and many other villages, people can come together to help their neighbours, particularly where they could help with affordable rural housing by being part of community land trusts. While councils are provided funding for community land trusts, they need access to additional funding, and what better way to do that than through the involvement of a truly locally owned co-operative.

In comparison to a traditional start-up, a co-op is twice as likely to still be trading after five years and its workers support six times more livelihoods. It is likely that co-operatives are so resilient because decisions are made in the interests of long-term community success, rather than the conflict of who can make money quickest. There is a focus on building up reserves in capital rather than relying on debt to fuel growth. The number of co-ops actually grew by 1.2% between 2020 and 2021, despite disruption from covid-19. Community-led economic development takes the idea that communities know best what they need to serve their community, and can implement that to support them and best manage their development.

The UK has a significantly smaller proportion of mutuals and co-operatives compared with similar nations, such as Germany and France. I suspect that is partly down to the ability of the sector to access external finance. I would like to take this opportunity to highlight the Co-operatives UK strategy, which is

“To build a strong, sustainable and diverse UK co-operative movement that positions co-operatives as a better way to do business and transform people’s lives”

and

“To promote and embed the values and principles of co-operation across UK enterprise and communities.”

Importantly, it sees co-ops as a way to empower young people. Co-ops are the opposite of the more insecure gig economy pioneered by tech apps. They give young people a stake in their work and allow them to engage more fully with it. They allow young people to engage with the issues that matter most to them and to make a positive change in their communities on issues such as climate change. In communities like mine, they encourage young people to stay rather than feel that they need to move away. There remains an opportunity for rural

communities to benefit from additional funding for matters such as community land trusts and shops, as seen in Parracombe, and I am delighted to support the Bill.

10.47 am

Andy Carter (Warrington South) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on introducing this private Member’s Bill, and it is a great pleasure to take part in the Second Reading debate. I am very supportive of the measures in the Bill, and I know that the Government have also indicated their support. To that end, I do not intend to speak for too long, but I want to reflect some of the views that my constituents have shared with me. Before I do that, I want to speak about the importance of the co-operative movement on our high streets. As somebody who grew up in the 1970s, I remember my mum shopping in the Co-op because she got her dividend stamp. She got rewarded for supporting a local supermarket on our high street. I have to say that I am a member of the Co-operative. I have my little card, and when I go into the Co-op in my village to do my shopping today, I will get rewards for doing that. I am proud as a Conservative to be supporting the Co-op in Cheshire.

It is not just the Co-operative superstores, there are many insurance mutuals on our high streets. I suspect that many of our constituents do not realise—I certainly did not until I started looking into this—how important mutuals and co-operatives still are to the high street today. It demonstrates the longevity and importance of this business model, so I am pleased that we are supporting the Bill.

The Co-operative in Warrington is among the strongest supporters of community activity. It regularly contacts me to ask if we will support community initiatives. It recently contributed to one of my local playgroups, helping to provide new equipment for the children. Incredibly, that money is raised by people shopping and then given back out into the community. Co-operatives provide real value.

In some respects, it is surprising that the co-operative sector in the UK remains relatively small compared with similar economies. Like many colleagues in this House, I have received a significant amount of correspondence on this Bill from constituents. When talking to a dairy farmer in Lymm, I was struck by the importance of co-operatives for that sector. He gets up very early in the morning to look after and milk the cows, and then waits for the milk tanker to arrive. The business model he follows means that he works with a co-operative to negotiate with the major supermarkets and major dairy companies. He told me, “I simply wouldn’t be in a position to negotiate with supermarkets and head offices all around the country if I didn’t work with a co-operative that generates support and profits.” Co-operatives are experts in negotiation, and they are incredibly supportive when working with farms.

What is the overall impact of co-operatives on the economy? A 2021 report by Co-operatives UK identified that about 7,200 co-ops operate across the UK. Their turnover in 2021 was £39.7 billion, which was an increase from £38.6 billion in 2020. The co-ops employed about a quarter of a million people in 2021, with membership totalling 14 million. Between 2020 and 2021, the number of co-ops grew by 1.2%.

[*Andy Carter*]

I will turn briefly to important elements in the Bill. It provides His Majesty's Treasury with the powers to make regulations that would allow all co-operatives, mutual insurers and friendly societies to opt to restrict the use or dealing of their assets. I made that point in an earlier intervention on the hon. Member for Preston. There have been recent examples of co-operatives and mutual societies finding themselves under attack. That is why I support the Bill, which also brings friendly society laws up to date and establishes tax neutrality for mutuals' deferred shares.

The impact of co-operatives on our economy and their members is broadly good. The Bill's measures are, broadly speaking, updates to enhance the operating environment so that they can continue to serve their members and improve choice in the markets in which they operate. I know that the sectors face significant challenges. They are limited by issues with access to external finance, so it is important that we take that into consideration. The intention is that, where members of the society choose to adopt legal restrictions, the use of the assets will be limited to specific purposes in line with the objectives of the mutual society. The use of any other assets for those purposes would then carry legal recourse. That optionality in the regulations will be important in mitigating any potential negative impact. I know that the Government will continue to work with the sector, and I am very pleased that the Minister is in his place and that he will respond shortly. I encourage the Government to continue to work with the sector, to ensure that the regulations are appropriate and adapted to the needs of different mutual models.

Finally, I am pleased that Co-operatives UK fully supports the Bill. It has carried out consultations with its members, which indicate that the measures enjoy widespread support. It has also said that the measures would bring

"significant new investment, innovation and development in a wide range of co-operatives, for greater economic, environmental and social impact."

Likewise, mutuals have praised the proposals for offering more choice and competition in their markets, and for allowing them to serve their members with an enhanced operating environment.

In short, I support the hon. Gentleman's Bill, which is clearly welcomed by the sector, and I look forward to continuing to use my Co-op membership card when I buy my tea this evening.

10.54 am

Dr Luke Evans (Bosworth) (Con): Similarly to my hon. Friend the Member for Warrington South (*Andy Carter*), if I had walked down Hinckley high street earlier this week and told people that I would be talking about the Co-operatives, Mutuals and Friendly Societies Bill this Friday, they would have looked at me aghast or blankly and said, "What's he talking about?" because they would have had no idea. I want to put this in perspective: what does it mean to the people of Hinckley and Bosworth? In considering that question, we can see how far these mutuals have come.

I, too, have a local Co-op card, because in my area we have multiple Co-ops, including one in Newbold Verdon, two in Desford, and one in Earl Shilton—they really are part of the fabric of Leicestershire.

Chris Clarkson: Does my hon. Friend agree that anybody putting money into the local economy in my constituency is a good thing?

Dr Evans: It is absolutely fantastic, and even better when it is just down the road if you are in your pyjamas. The main thing is not to forget the card so you can support the economy.

It goes a little further than that. I began to think about the other things that could be tied up with mutuals. I was a doctor before I came to Parliament, and had a lot of dealings—I still do, and declare an interest—with them. I have investments with the Wesleyan Assurance Society, which began in Birmingham in 1841, supporting doctors with investments and financial products. Both professionally and in the local community, we can see the effect that mutuals have. It goes further than that. In my constituency, the Hinckley & Rugby Building Society was formed in 1983 when two societies joined, but there has been a society in place since 1961. It is in the top 20 building societies, with assets of £830 million, and more than 50,000 users and customers, many of whom are based in my local area. It emerged from the need to support our local industries, particularly lacemakers and shoemakers. It is still there today, providing products for people who might not be able to secure them on the open market.

Andy Carter: My hon. Friend is generous in accepting interventions. As he knows, I grew up in his constituency. One of the first things my mum and dad did was open an account at the Earl Shilton Building Society, and I still have that account today. I think that they put in £2—today, having not put any money in, it is worth about £4,000. That is certainly a demonstration of the value of local building societies and the role they play in local communities.

Dr Evans: My hon. Friend is absolutely right. When I was young, I was given a small account with the Nationwide Building Society. It was common for previous generations to do that. We seem to have lost the sense of what building societies and mutuals can provide in our community. That is why it is good that the Bill has been introduced, so that it can provide a forward-thinking ability not only to defend them but to set them up for the future.

We can see the tangible difference that these societies can make. The Hinckley & Rugby Building Society supported a cricket match in Earl Shilton, as well as Leicestershire Cares, giving money back and investing it to make our communities better.

I will not dwell on the impact of the Bill, because what it is trying to do has already been highlighted. The provisions that would be put in place would not interfere with the ability of co-operatives to give profit to members or pay interest on share capital. I am keen to see, as I hinted in my intervention—and as has been followed up by my hon. Friend the Member for North East Bedfordshire (*Richard Fuller*)—how we can turn this into an industry that is fit for the future and drives innovation in the sector. The measure is a starting framework that can provide for that. If the Law Commission review is correct and forward thinking, we can restore the impact of mutuals on society that I had the pleasure of seeing as I grew up, and now have the pleasure of representing in my area. Long may they live.

10.58 am

Anna Firth (Southend West) (Con): I, too, congratulate the hon. Member for Preston (Sir Mark Hendrick) on introducing this important Bill. Having been elected in February, I have not yet had the pleasure of presenting a Bill to the House, but I hope to be successful in the ballot soon.

This is indeed, as colleagues have said, a very worthwhile Bill, and I am delighted that there is cross-party support for it. Of course, this issue has been raised in the House on a number of occasions and, like others, I read with great interest the speech by my hon. Friend the Member for Wycombe (Mr Baker) in his Westminster Hall debate last year. He spoke on the subject extremely eloquently, and I hope that the House will allow me the liberty of quoting a small part of his speech:

“A free society—one based on a market economy—really must have within it a place for co-operatives”.—[*Official Report*, 14 December 2021; Vol. 705, c. 249WH.]

How right he was. Co-operatives, mutuals and friendly societies are a wonderful resource embedded at the heart of our communities. They expand opportunity, wealth and aspiration throughout our great nation. They are democratically owned and controlled by their members, with profits reinvested in the organisations or among their memberships.

As has been mentioned, the co-operative economy is diverse, resilient and growing. At the last count, there were more than 7,000 co-operative businesses in the UK, with a combined annual turnover of almost £40 billion in 2021. Importantly, that has grown from £38 billion in 2019, and I am assured by the wonderful resource that is the Commons Library that the figure will grow again next year.

Co-operatives, mutuals and friendly societies trade in sectors as diverse as agriculture, renewable energy, retrofitting, the creative industries, manufacturing, distribution, wholesale, retail and finance. In 2020, the turnover of the co-operative economy grew by £1.1 billion. Of course, most co-operatives in the UK are consumer-owned, but in recent years we have seen a marked growth in community ownership, worker co-operatives and freelancer co-operatives. Many of the UK's largest co-operatives comprise other businesses such as farmers' co-operatives.

We must not forget what a powerful employment sector the co-operative movement is. Last year, it employed more than a quarter of a million people in the UK. It may surprise the House that that is more than the whole population of the new, sparkling city that is Southend, which I am sure the whole House agrees is the greatest city in the country and fully deserves to be the UK's 2029 city of culture.

It is interesting to look at international comparisons as the UK co-operative economy is relatively small and growing more slowly than others. Co-operatives account for only 2% of our GDP, whereas the figure in New Zealand is 20%, in the Netherlands and in France, 18%, and in Finland, 14%. Less than 1% of UK businesses are co-operatives. In Germany, the co-operative economy is four times bigger than that in the UK. France's is six times larger, and South Korea's is 12 times larger. It is much the same story in insurance, where an estimated 11% of the UK market is provided by mutuals, compared with 47% in Germany and a whopping 52% in France. Perhaps the co-operative model is underused and something of a best-kept secret in our society and economy.

I hope that the Bill might go some way to bringing our laws up to date so that it is easier for co-operatives, mutuals and friendly societies to attract the investment they need to grow and thrive. At the moment, that is not as easy as it could—and perhaps should—be. The sector faces challenges not faced by other sections of the financial market such as banks and other companies. The Bill seeks to solve some of those challenges, and I commend the hon. Member for Preston on the excellent, thoughtful way in which it seeks to do that.

The Bill seeks to provide His Majesty's Treasury with the power to create regulations to allow co-operatives, mutual insurers and friendly societies to choose to adopt legal restrictions on the use of their assets. As I understand it—I am sure hon. Members will correct me if I am wrong—the intention is that where the members of a society choose to adopt the legal restrictions, the use of their assets would be limited to specific purposes in line with the objectives of the mutual society, and the use of those assets for any other purposes would lead to legal recourse.

The Bill seems sensible to me, and I believe that it would have a direct, positive impact on my constituency of Southend West. At the heart of my constituency, on Leigh Broadway, we have the Co-op store, which is obviously the UK's most famous co-operative. The Co-op manages to raise tens of thousands of pounds for local charities every year. I am sure that many Members know that Co-op members can choose from three local charities each month, and the money raised is split among the charities according to how many votes each charity receives. These charities are chosen by the members and this is a brilliant way to raise money.

Money is raised in a variety of ways, including the traditional raffle prize. This month, the wonderful Leigh Broadway Co-op is having a raffle for an excellent-looking hamper full of Halloween goodies, and raffle tickets are just £1 a strip. The proceeds will be donated to the absolutely brilliant Lady McAdden Breast Cancer Trust charity, located in Leigh-on-Sea in my wonderful constituency of Southend West. The Lady McAdden trust has been nominated by members of the Co-op as one of their October charities, and there could not be a better charity to support in October, which we all know is Breast Cancer Awareness Month.

I am a huge supporter of the Lady McAdden trust, and earlier this year I opened its new breast cancer screening centre in Elmsleigh Drive in my constituency, which has been the home of the charity since April 2022. A couple of weeks ago I attended its event at the Leigh community centre, and the refreshments were all provided by the fantastic Leigh Broadway Co-op.

The Co-op is also doing a lot to eliminate food waste and to ensure that the most vulnerable in our society are helped and protected. Thanks to Co-op members, an astonishing £100 million has been raised to support local communities across the UK.

Turning to mutuals, many bank branches have closed over recent years in Southend West, but the Nationwide, a mutual on Leigh Broadway, lives on. We all know that bank branches are a very important resource, especially for communities with an elderly population. The elderly are not always able to go online, and they rely on mutuals such as the Nationwide both by visiting branches to deposit money or pay in cheques and for financial advice.

[Anna Firth]

I am so proud that the Nationwide in Leigh-on-Sea has a dedicated cost of living expert, who is helping the most vulnerable members of our society navigate the challenges caused by the cost of living crisis. The branch is also going out of its way to ensure that people who are not as tech savvy as some of the rest of us, particularly the elderly, are supported. Next week, it is holding a “tea and tech” event, which will teach people how to use online banking and apps to manage their money. Digital exclusion is a huge problem in our modern society, and it is really encouraging that our co-operatives, mutuals and friendly societies have recognised this and are doing all they can to help.

Co-operatives, mutuals and friendly societies have so much to give to our society. They play a hugely important role in our communities, and it is also hugely important that we ensure that there is diversity in the financial services sector and that we ensure that mutuals are able to raise the capital they need more easily without the need for demutualisation.

I am pleased to be able to support the Bill, and I am very grateful to the hon. Member for Preston for giving us the opportunity to debate this important issue.

Madam Deputy Speaker (Dame Eleanor Laing): I call the shadow Minister, Tulip Siddiq.

11.8 pm

Tulip Siddiq (Hampstead and Kilburn) (Lab): It is a pleasure to support my hon. Friend the Member for Preston (Sir Mark Hendrick) in bringing this important issue to Parliament for debate. It is also impressive that there is so much cross-party support for the Bill, and I thank my hon. Friend for working so closely with civil servants and Treasury Ministers on this important topic. It is never easy to bring any topic to the House with so much cross-party support, but my hon. Friend has demonstrated in the past that he is very capable of working in a team. I saw the sterling work he did on the Committee for HS2 and I know that he worked hard as part of a team to ensure that Preston was recognised as a city in 2002.

My hon. Friend’s association with the Co-operative party and movement is not a recent one. Between 1984 and 1994, he was secretary of the Salford Co-operative party. He mentioned the shirt he bought 40 years ago for £1. It is the same age as me, which shows the House how long his association with the Co-operative party has been. I pay tribute to him for all the work he has done on bringing the Bill forward.

The principles of co-operation and mutual support have roots in both conservative and socialist traditions, and the histories of the co-operative movement and the Labour party in this country are closely intertwined. Indeed, the hon. Member for North East Bedfordshire (Richard Fuller) eloquently set out how there is support in both our parties for the co-operative movement. The relationship was institutionalised in 1927, and the Co-operative party and the Labour party entered into an electoral agreement to stand joint candidates at election. It is fantastic to hear so much support for the Co-operative party from across the Chamber. If anyone wants to stand on that ticket at the next election, our doors are open.

It is fantastic that this Bill also has the support of the Co-operative party, and I know that my hon. Friend the Member for Preston is proud to be a Co-operative party and Labour party Member. To this day, both parties continue to make the case for co-operatives, and friendly and mutual societies, which all give us a greater say and stake in institutions that affect our lives and play such an important role in improving equality and productivity at work. The hon. Member for North Devon (Selaine Saxby) talked about that in relation to the opportunities that are brought for young people, and I think we can relate to that in all our constituencies.

Co-operative and mutual societies have never been more important in the UK’s economy and public life. More than 7,000 co-operatives are operating across the UK, with a combined turnover of almost £40 billion, and some 200,000 people earn their livelihoods directly through co-operatives. They trade in sectors as diverse as agriculture, renewable energy, retrofitting, the creative industries, manufacturing, wholesaling, retail and finance. Many Members have cited examples from their own constituencies. Co-operatives have also proven resilient in the face of hardship. The pandemic was an incredibly difficult time for many British businesses, but the co-operative and mutual sector grew by an impressive £1.1 billion in 2020, despite the economic challenges resulting from the national lockdowns.

The hon. Member for Hastings and Rye (Sally-Ann Hart) talked about how mutual or co-operative models can provide significant business advantages. As she pointed out, the resilience of co-operatives is rooted in the higher levels of productivity that can result from employee ownership. In the United States, the National Centre for Employee Ownership tracked the performance of more than 57,000 firms and found that employee ownership can greatly improve a business’s productivity and chances of success.

That resilience and strength allowed the mutual sector to play such a heroic role during the pandemic, by plugging gaps in Government support for communities across the country. The hon. Member for Warrington South (Andy Carter) talked about how mutuals play a particularly important role in rural communities. For example, Arla farmers contributed 900,000 litres of long-life milk to Government grocery packs for vulnerable people during lockdown, and the Little Pioneers nurseries, run by the Midcounties Co-operative, kept nurseries near hospitals open and affordable for the children of key workers. They also offered additional temporary places for key workers who were unable to rely on their usual childcare arrangements and developed a frontline hero support fund to subsidise fees for key workers’ families.

However, despite the fantastic contribution that co-operatives and mutual societies make to society and the economy, outdated legislation has prevented the sector from reaching its full potential. The hon. Members for Southend West (Anna Firth) and for Darlington (Peter Gibson) said that the mutuals sector in the UK is relatively small compared with what we find in other countries. Fewer than 1% of businesses in the UK are co-operatives. Germany’s co-operative economy is four times the size of the UK’s. In Italy, co-operative enterprises generate close to 40% of GDP in the province of Emilia-Romagna, which has the lowest socioeconomic inequality of any region in Europe. The growth of

co-operatives in this country is being held back by a legislative and regulatory framework that is not designed for co-operative businesses. The unique structure of co-operatives, mutuals and friendly societies means that they are often excluded from traditional investment methods.

Sadly, the sector is also under threat from demutualisation. There was celebration across the co-operative and labour movements last year when members voted to reject the controversial takeover of the insurer Liverpool Victoria by the private equity firm Bain Capital. I want to take a moment to recognise the work of my hon. Friend the Member for Harrow West (Gareth Thomas)—he is not in the Chamber—and others who fought to protect the mutual status of this historic firm. However, as my hon. Friend the Member for Preston made clear, demutualisation remains a real and present threat to the sector. Importantly, the Bill will help to ensure that mutual capital is maintained for the purpose intended.

As my hon. Friend the Member for Cardiff North (Anna McMorrin) pointed out, the Opposition believe that further legislation is needed to secure the future of the sector, for example by giving co-operatives more freedom to issue perpetual capital to fund investment. I thank my hon. Friend, who introduced a version of this Bill and who has done a great deal of work to advance the issue, on which we all agree. We recognise that the Bill is an important step forward. The Labour party will give it our full support. I thank my hon. Friend the Member for Preston and all the Treasury Ministers who have worked so hard on the Bill.

11.16 pm

The Economic Secretary to the Treasury (Andrew Griffith): It is always a pleasure to follow the hon. Member for Hampstead and Kilburn (Tulip Siddiq). May I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who has joined us on the Front Bench this morning?

I congratulate the hon. Member for Preston (Sir Mark Hendrick) on reaching Second Reading with his Bill and on the committed and passionate advocacy that he and his team have shown on behalf of the mutuals sector. It takes a team effort to get things done, as my colleagues could sometimes benefit from remembering, and this is no exception. I pay tribute to my predecessor, my hon. Friend the Member for North East Bedfordshire (Richard Fuller), for his hard work over the summer, with officials, to bring us to this important moment. I also thank the hon. Member for Cardiff North (Anna McMorrin), who started the ball rolling; it is delightful that she was able to join us today. As the hon. Member for Hampstead and Kilburn says, this is a cross-party endeavour, and it is all the stronger for it.

The fantastic speeches from Members across the House have brought to life the tapestry of co-operatives and mutuals and their contribution to society across the United Kingdom. We heard about the Darlington Building Society's five-year sponsorship of the Darlington rail heritage quarter. We were reminded of Robert Owen and the origin of the Welsh co-operative movement. My hon. Friend the Member for Heywood and Middleton (Chris Clarkson) took us back to the birthplace of the co-operative movement. My hon. Friend the Member for Hastings and Rye (Sally-Ann Hart) spoke about the

contribution of White Rock Neighbourhood Ventures, which is helping to build her society. My hon. Friend the Member for Devizes (Danny Kruger) made a typically thoughtful contribution; he not only auditioned for the support of the wider co-operative movement, but rooted co-operative and community values firmly in the tradition of Disraeli.

Let me say a little about the Government's intentions for the Bill. I can confirm that we will support it because we believe in, understand and recognise the contribution that the mutual model makes to society and financial inclusion, which is important to hon. Members on both sides of the House, and the diversity that it provides for the financial services sector. We have a fantastic financial services sector in this country, and mutuals are an important part of that and we wish to see them continue. The scale is often not fully understood, but Royal London is the largest mutual life insurance, pensions and investment company in the UK, and has assets under management of £164 billion—8.8 million policies in force. Therefore, as well as contributing to their communities up and down the United Kingdom, mutuals are also a very important part of our financial sector.

We heard, too, from my hon. Friend the Member for North Devon (Selaine Saxby) about Parracombe, from my hon. Friend the Member for Bosworth (Dr Evans) about the contribution being made by the Hinkley and Rugby Building Society, and from my hon. Friend the Member for Warrington South (Andy Carter). This shows the real contribution that these organisations make.

Let me make some progress on the Bill itself. The Government see this private Member's Bill as a valuable attempt to build on progress, and further support the mutual model by granting His Majesty's Treasury the power to make changes to what co-operatives, mutual insurers and friendly societies are able to do under legislation.

The House will note that the final Bill is more focused compared with the original long title. Allow me to briefly set out what we aim to achieve through the Bill. The Bill will allow co-operatives, mutual insurers and friendly societies further flexibility in determining for themselves the best strategies for their business relating to surplus capital. More specifically, this allows the Treasury to create regulations to provide these mutuals with the option to restrict the distribution of surplus capital—defined as equity minus members' shareholdings and share interest—to their members on solvent dissolution of the mutual, or on the sale or conversion of the mutual to a company. The Bill does that by providing the power to create regulations to allow co-operatives, mutual insurers, and friendly societies to choose to adopt legal restrictions on the use of their assets. The intention is that, where the members choose to adopt these restrictions, the use of the assets would be limited to specific purposes in line with the purpose of the mutual society.

The Government anticipate that this will provide additional safeguards against demutualisation for those societies that choose to adopt the so-called "asset lock". The Government understand that many here today were motivated by the proposed sale and demutualisation of LV= in 2021. Although, ultimately, that sale did not go through, because the vote in favour of selling was

[Andrew Griffith]

not backed by a sufficient proportion of members, we understand that it is right to interrogate the demutualisation process and consider the case for reform.

Voluntary asset locks—to prevent the distribution of legacy assets on the dissolution, sale, or conversion of a mutual—are already successfully adopted and freely entered into by co-operatives, mutual insurers, and friendly societies. The aim of these voluntary asset locks is to limit the financial incentives that many believe sit behind demutualisation processes. For example, many mutual entities have adopted “charitable assignment clauses” into their rules. This determines that any capital surplus on the dissolution, conversion, or sale has to go to a nominated charitable cause and not to the members at that moment in time. Within this, it is an established practice for mutuals to adopt high voting thresholds when members are deciding on decisions that affect the future strategic direction of the mutual.

We think these aims are laudable, but what the Government want to do is to build on the safeguards already in place to preserve the mutual movement. By placing an ironclad guarantee in legislation, we aim to support mutuals to make these locks harder to unpick in the future so that a mutual’s funds continue to be used for their social purpose and the social contract with its members and future members continues to be honoured, where the members choose to implement it.

By bringing forward this legislation, we are granting these efforts with a statutory footing should a mutual and its members decide that this is the best route for them. The optionality of the statutory asset lock is key, for it leaves the decision on the future of a mutual in the hands of mutuals and their members. Throughout, we have been guided by the core value of what it is to be mutual—with the interests of their members and communities at the heart of what they do.

If possible, I would like to go further: in alignment with the spirit in which the hon. Member for Preston has introduced this Bill, we are exploring the options for delivering reviews of key legislation underpinning the sector, including engagement with the Law Commission to help us to finalise our approach. I cannot go further than that today, as my hon. Friend the Member for North East Bedfordshire pressed me to, but that is something we are looking at and will move forward with.

Richard Fuller: I am very grateful to my hon. Friend for the opportunity to press him again. As he makes these considerations, will he commit from the Dispatch Box that, at Committee stage, he will come forward with the framework of the recommendations and, if he is minded to pursue this with the Law Commission, what issues it might cover?

Andrew Griffith: My hon. Friend is familiar with the process for establishing the final Law Commission review. I will undertake to keep him and the hon. Member for Preston informed as we move forward, and I hope he will be happy with that undertaking.

In conclusion, I have outlined the Government’s stance on the private Member’s Bill brought forward today for Second Reading. It is unusual for a Government to support a private Member’s Bill tabled by a member of the Opposition, but that only speaks to the value of this Bill and the work done to build consensus. I hope the House will recognise that the Government are committed to the development and growth of mutuals, including co-operatives, mutual insurers and friendly societies, and that they have been listening to and celebrating with us the work that is being done in our constituencies. The Government see great value in the mutual sector, not just because of the contribution to our economy, but because of the contribution to our communities. That is why we have already taken steps to support all types of mutuals and will always be open to ideas for broadening that support. Our goal and the goal of this Bill is the long-term growth and success of the sector, and for that reason I commend it to the House.

11.26 am

Sir Mark Hendrick: I thank the Minister again for his positive attitude towards this Bill and for bringing in the support of his party and the Government. I am particularly happy that we have had such a lengthy debate, because I did not think it would go on for so long; it has been fascinating to hear the views of many hon. Members across the House on how co-operatives in their area function and what their attachment to the movement is.

I draw the Minister’s attention to the references in my speech to the use of the Law Commission to explore the other issues I raised originally with the Treasury and his civil servants. The hon. Member for North East Bedfordshire (Richard Fuller) also referred in his intervention to the question of the Law Commission. I had the assurance during my discussions with the Treasury that that would be looked at seriously and I would hope, as he said, that it would be explored at Committee stage, with some firm proposals and the framework for the Law Commission being entered into as part of that process.

I thank everybody who has supported me on this Bill in this House, in the co-operative sector and in the Co-operative party, and, of course, Mutuo, which has helped a lot to provide all the material for my discussions with the Treasury.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Employment Relations (Flexible Working) Bill

Second Reading

11.29 am

Yasmin Qureshi (Bolton South East) (Lab): I beg to move, That the Bill be now read a Second time.

It is a pleasure to introduce the Bill, having come ninth in the ballot. I must begin by thanking my hon. Friend the Member for Easington (Grahame Morris), who is not currently in the Chamber. For some reason I saw him about three times during the day on which the ballots were being carried out, and on each occasion he asked me, “Have you put your name down for the ballot?” I have been a Member of Parliament for 12 years. In every one of those years I used to put my name down, and of course I never came anywhere near the possibility of getting a Bill through, so I really must thank my hon. Friend for all his encouragement.

I also want to thank the Ministers with whom I have been dealing over the last few months—the Minister of State, Department for Levelling Up, Housing and Communities, the hon. Member for Sutton and Cheam (Paul Scully), who is no longer present, and the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Watford (Dean Russell), who represents my old home town—and to welcome the new Minister, hon. Member for Thirsk and Malton (Kevin Hollinrake), to his post. I also want to place on record my thanks to the ministerial team at the Department for Business, Energy and Industrial Strategy for all their help and support. I want to mention two names in particular, Matthew Wootton and Tony Mulcahy.

I know that some colleagues today may have a personal interest in flexible working, and I hope that they will contribute to the debate. This is an important issue, because flexibility in the workplace is no longer just a perk or a “nice to have”. For many it is a lifeline, because it offers a much-needed pathway into the labour market and allows those with caring responsibilities to save on childcare costs by “flexing” their working patterns.

Let me start by talking about the importance of flexible working from the employee’s perspective. Many Members of Parliament, including me, were fortunate enough to be able to work from home during the pandemic, and we may appreciate the benefits of flexible working more than most. When we plugged ourselves into our online meetings each day, it meant that we could carry on, and fulfil the demands of our job, by being virtually connected to this Chamber; to our constituents in virtual advice surgeries, or to meetings with charities and other organisations. Even before the pandemic, however, many of us enjoyed a certain degree of flexibility in how we managed our diaries. Constituents have told me that working from home made them feel much more connected to their children. Many mothers—and fathers—were relieved not to have to be late collecting their children from school each day. Working from home also made life easier for carers who, like me, were looking after a chronically unwell family member.

During the pandemic millions of people benefited from flexible working, and I think we all recognise that this is a good position to be in. However, in many jobs there are still invisible restrictions that hold people

back—for instance, the need to live in high-cost accommodation close to the centre of cities, or to maintain working arrangements that are hard to combine with family or other responsibilities. Recent research conducted by the charity Working Families shows that three in 10 UK parents are working in jobs that are below their skill levels because they cannot find the flexibility they need elsewhere. That is a massive waste of talent.

Tulip Siddiq (Hampstead and Kilburn) (Lab): My hon. Friend is making an important speech on an issue that I am passionate about. She will know that we as a country are in the midst of a mental health crisis that, in addition to destroying lives, is costing the UK economy about £100 billion a year. The evidence, which I am sure she has looked at, shows that flexible working brings mental health benefits as well as wellbeing to employees. Can she elaborate on whether she thinks the Bill contains benefits not only for public health but for the economic development of our country?

Yasmin Qureshi: I thank my hon. Friend for her intervention. I acknowledge the sheer amount of work that she has been doing on the issue for many years, and I thank her for that. I will come on to the economic benefit of flexible working and how much we lose out by not doing so. Mental health is an issue that is becoming more a feature of our daily lives and in society.

It is important to remember that flexibility is far more than hybrid working. It covers job shares, reduced or compressed hours, flexitime, and even phased retirement. Offering flexibility to balance work and home life can be key to ensuring progression in the labour market and to opening up employment and promotion opportunities to everyone, regardless of their gender, age, disability or location.

In the last few months, I have met a number of charities and organisations that represent thousands of members who are affected by flexible working—or rather, the lack of it. For example, the Multiple Sclerosis Society shared numerous cases of how flexible working has benefited people with MS. I learned about Trishna, who lives with MS and has found that having good, flexible working policies from her employer means that she is able to stay in work longer. Flexible working means that she can work from home with flexible hours and can manage her workload around her fatigue. She can start work early and finish early when she needs to, and can bank hours for days when she does not have the energy or strength to work.

Although more people have been able to work flexibly since the start of the pandemic, some have not been able to work in that way despite wanting to, even though there is often no good reason for the employer not to let them. That has serious consequences for women and families in particular, and for those with childcare commitments.

I recently met an organisation called Pregnant Then Screwed, which shared a large volume of shocking cases where women had been affected by the lack of flexible working opportunities. In one case, a mother shared:

“I had to leave my job after maternity...because my job didn’t support flexible working and I was unable to find another suitable part-time role in the company.”

[Yasmin Qureshi]

She says that, to her detriment, it meant that she had to leave her career and it affected her mental health. She “became a stay-at-home mum, putting huge pressure on my husband to pay for our household on one income”.

That is really unfortunate, because statistics show that if women can access flexible working, they are twice as likely to stay in that job and continue with their careers while having children and a family life.

Men’s ability to access flexible working is just as important. The statistics show that women are twice as likely to excel in their career if their husband is helping with the childcare. Younger families, single parents and lower earners were hardest hit financially during the pandemic and again now we have the cost of living crisis. In a recent survey, the charity Working Families found that 60% of those who took part said that it is financially harder to raise a family now than it was three years ago. That makes it more urgent than ever for people to have access to flexible working.

Tulip Siddiq: As my hon. Friend says, this issue is close to my heart and I am glad she has cited the work of Pregnant Then Screwed, which has done valuable research on this topic. She will know that one in three requests for flexible working is turned down. Will she elaborate on the fact that we need to change the legislation, but also the culture of the workplace so that employees, especially mothers who are trying to look after their children and go to work at the same time, feel they can ask their employers for flexible working?

Yasmin Qureshi: My hon. Friend anticipates something I will touch on in my speech relating to the financial side. In fact, I was just about to come on to the point that flexible working is good not just for employees, but for employers and the wider economy. By removing invisible restrictions, flexible working fosters a more diverse workspace. The evidence shows that that leads to improved financial returns for businesses. McKinsey points out that by fully utilising women in the UK economy, we would be adding £150 billion to our economy by 2030. Therefore, widening flexible working is very important for employers, too. It has also been shown that workers who have more flexibility are more motivated at work and are more likely to stay with a particular employer.

Andy Carter (Warrington South) (Con): The hon. Lady is making a very powerful and good speech, and I am broadly supportive of the measures in her Bill. She talks about the engagement she has undertaken with charities and a number of organisations representing employees. Has she engaged with the Federation of Small Businesses and other employer organisations? I am particularly concerned about the impact the Bill might have on small businesses.

Yasmin Qureshi: Yes, and I have discussed the matter with Zurich Insurance Group, which is very keen on flexible working. I think that when I explain the Bill in detail, the hon. Gentleman will find that it will not place any undue financial consequences on small businesses if an employer is not able to offer flexible working. The idea is to think a bit more out of the box and more

creatively. I do not think that small businesses are against flexible working either. When I talk about businesses and employers, I am including everybody in that. I am saying that it is a good thing for employers, whether they run a small business or a large business. Recent research from the charity Working Families found that half of all UK parents would leave their current job if they found one with more flexibility, so it would help an employer.

I have personal experience as an employer, and, even before the pandemic, I was a strong advocate for the benefits of flexible working. In my office alone I have accommodated staff with childcare needs, those who wished to study part-time, two employees who were job sharing and an employee who worked compressed hours so that he could fulfil his council duties. I have to say that it worked very well in my office.

Taking a broader perspective, recent figures show that there are almost 9 million economically inactive working-age adults in the UK, with 1.75 million citing caring for family as their reason for not working. Again, that is a huge reservoir of untapped talent and productivity that greater flexible working opportunities could help us tap into.

The Bill will introduce changes to the existing right to request flexible working. For those who are not familiar with the background to the legislation, the right was first introduced in 2003 for employed parents and carers of children under the age of six and disabled children under the age of 18. The legislation has been amended several times, most recently as part of the Children and Families Act 2014. The right currently allows all employees who have 26 weeks of continuous service with their employer to make one statutory application per year to change their working hours, working patterns or work location. When the employee submits such a request, they are asked to explain what effect, if any, the change would have on the employer and how that might be dealt with. Employers have to consider all eligible requests and can refuse them only on one of the eight business grounds set out in the legislation. They have three months in which to respond to the employee’s request.

The Bill, which I hope will pass through Parliament, would, along with the use of secondary legislation, give an employee a right to ask for flexible working hours from day one. An employer could decline that, but they would need a credible business reason to do so. While the day one right is not explicitly stated in the Bill, as I understand it, secondary legislation would be introduced to say that it is a day one right. I hope that the Minister will confirm that in his response.

The Bill is focused on setting the right conditions for employees and employers to have an open-minded conversation about what flexible working arrangements might be possible in any given context. It hopes to simplify and normalise the process of making and responding to flexible working requests, bringing benefits to employees and employers alike.

The Bill has four measures. The first is a duty on the employer to consult the employee before rejecting a flexible working request. I am aware that organisations such as the TUC and Working Families, who continue to lobby for stronger flexible working rights, have been making the case that, at present, it is too easy for an employer to refuse flexible working requests. Hopefully, this measure would prevent employers from just saying

no without engaging with the employee as to why. We hope that that will bring on a culture shift. Of course, it requires both sides to discuss the matter properly.

Secondly, under the Bill, the employee could apply for flexible working hours twice in 12 months. That is understandable, because sometimes situations change unexpectedly. An employee could become a carer or diagnosed with a long-term health condition meaning that their work arrangements were no longer sustainable, so being able to request a change twice in a year would assist with that. Of course, in the end, all of these things benefit the employee and the employer, because otherwise good employees may well leave.

Thirdly, under the Bill, instead of a three-month period, the employer would have two months in which to respond. That would encourage responsiveness from the employer and ensure that matters are dealt with as soon as possible. With modern technology and the things that are happening, it is right that the Bill should update the current situation.

One of the final measures in the Bill is to remove the requirement for the employee to explain the effects that the changes they applied for would have on the employer and how they might be dealt with. That is quite hard for some employees. Some people are good at writing an articulate case and making a great submission, but many employees may not necessarily have the linguistic skills to make a beautiful case. New employees in particular may not have the confidence or experience to do so. It would therefore be helpful to remove that burden from the employee.

I hope this Bill will encourage more constructive dialogue about flexible working and will make employer and employee focus on finding ways that are acceptable to both. The Bill does not of course resolve all the issues concerning better flexible working, but it is a step in the right direction.

I thank bodies including Working Families, the TUC, Pregnant Then Screwed, the MS Society and other campaigning organisations, and Zurich Insurance Group, a big insurance company which continues to lead the way on flexible working. I also thank my hon. Friend the Member for Hampstead and Kilburn for her campaign over many years and her intervention. I again thank the Minister the hon. Member for Thirsk and Malton for his support. The Conservative and Labour parties can work together on this and agree that it is good for our nation. I hope all hon. Members in all parts of the House share my desire to ensure that the Bill succeeds; as we know, there are certain fragilities that accompany the private Member's Bill process and I would like to navigate past them with the support of Members across the House.

11.51 am

Selaine Saxby (North Devon) (Con): I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on introducing this important Bill, which we are pleased to support. Indeed, our Conservative 2019 manifesto commits us to

“encourage flexible working and consult on making it the default unless employers have good reasons not to.”

The current flexible working access requirements are too slow, and are not available to employees at the start of their employment. I sit on the Work and Pensions

Committee and this week we heard evidence on the importance of flexible working in enabling employers to fill vacancies. While acknowledging that not every job can be done from home or with as much flexibility as the employee may wish, employers must move to accommodate employees' needs for flexibility in such a competitive jobs market.

More flexible working would increase opportunity in my rural constituency. As long as people are connected to broadband, which is still an issue, this will enable them to access jobs and opportunities they would otherwise have to move away for. We must recognise, too, that the lack of public transport in remote rural constituencies is a very real barrier to some people being able to get to work. Also, given the increase in fuel prices, for some the costs of getting to work now outweigh the financial benefits of travelling there. I should add that too many university-educated people leave North Devon because they cannot find a role close to their community that suits their qualifications.

This week I attended the ReWAGE event here at Westminster. It has produced a report on the importance of flexibility in the workplace, and indeed making it the default. As we recover from the pandemic, we should pick up some of the positives, and recognise that how we want to work has changed. Its report found that flexible working has benefits for employers, employees and society more broadly; it widens economic opportunity as it reduces barriers to entry and can help diversify economic growth away from urban centres. But many jobs still have invisible restrictions that hold people back, like the need to live in high-cost accommodation close to the centre of cities—or, I would add, to travel to work in a rural environment. Maintaining working arrangements can also be very hard to combine with family or other responsibilities. We want to enable a high-skilled, high-productivity, high-wage economy that also delivers on our ambition to make the UK the best place in the world for people to work, wherever they are and wherever they live.

Workers who have more flexibility are more motivated at work and more likely to stay with their employer. The business case for flexible working is clear. We know there are particular times in people's working lives when they may need a bit of extra flexibility to balance their work with other commitments or responsibilities. That is why the Government's manifesto committed to build on existing leave entitlements by introducing two new leave rights, for working carers and those with a baby in neonatal care, and also to make it easier for fathers to take paternity leave.

However, it is clear that there are also many other occasions when people may need that little extra flexibility, for instance, as they approach retirement, when they need to care for an elderly relative, while they recover from a longer-term health condition or as childcare arrangements change. They might even need it just to get medical treatment or attend other appointments. Technological advances have also made it a more realistic prospect, with less disruption to business and to employees. There is no one-size-fits-all solution; legislation has to create a framework for employees and employers to have genuine, two-sided flexibility. That will help society build on the culture shift brought about by the pandemic.

As we look for our economy to become more productive, that is dependent on the workforce also becoming more productive. That is very much driven by an approach to

[Selaine Saxby]

employment that recognises the needs of individuals and their own complex family lives. The more flexibility that can be brought to that relationship, one suspects the greater the productivity, making it a mutually beneficial solution for the economy, the employer, the employee and their family. Work-life balance is a necessity, not a luxury, and we have the opportunity today to deliver that change.

11.55 am

Peter Gibson (Darlington) (Con): I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on bringing forward this important Bill. Having had the privilege of guiding my own private Member's Bill in this Parliament, I commend her on the efforts she has put in to bringing forward hers; it is a very rewarding process. I also wish to pay tribute to my good friend, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for taking his place on the Front Bench—it is long overdue. However, following his leadership of the all-party group on fair business banking, I have serious concerns about who is going to take over the excellent role he played in that organisation. I would also like to praise the hon. Lady for the way that she has approached this process, engaging with Ministers on this Bill, which is gathering support right across the House.

Flexible working can mean a number of things, including hybrid working, part-time working, compressed weeks, self-rostering, or even job sharing. This is a timely Bill. As a result of the covid-19 pandemic, flexible working has become commonplace for people up and down the country. As we entered lockdown, many businesses that previously had never adopted flexible working were forced to adopt new arrangements. Those new arrangements included remote working, using new technology for work, or finding new ways of working. I know that many businesses have continued these flexible practices, which has generated a greater appetite for remote and/or hybrid working patterns from employees.

That said, individual employers and employees have different perspectives about remote and hybrid working patterns, and about returning to offices or places of work. There are differences of opinion between those advocating a return to the office and those pushing for a more employee-oriented flexible post-covid-19 future of work. Research shows that employees experience a mix of benefits and risks from remote or hybrid working patterns, depending on their circumstances. There are often mixed outcomes, such as greater autonomy and discretion over work patterns coinciding with work intensification and the potential blurring of boundaries between work and life, something to which we can all relate.

Personally, I strongly support flexible working and firmly believe that only by championing a flexible and dynamic labour market can we grow the economy. I am pleased that that view is shared by the Government. Indeed, in 2019 I stood on a manifesto that included a commitment to encourage flexible working and to consult on whether flexible working can be the default, unless employers have good reasons otherwise.

Having been an employer before I was elected to represent the people of Darlington, I know only too well the benefits that flexible working can bring. I

moved to enable my staff to work flexibly long before the pandemic made it a necessity for so many businesses, and I still embrace flexible working for my team now that I am an MP, with members of my team working part of their time from home.

Almost 10 years ago, I was approached by a member of my staff who, following the birth of her child and her partner suffering from a debilitating condition, was unable to manage without having her extended family nearby, necessitating a move out of the area, which would have made commuting impossible. To resolve this dilemma, arrangements were made to supply broadband, a laptop and a phone to my employee, so she could work from home and have the benefits, comfort and convenience of having her family nearby. I have seen at first hand how flexible working can have huge benefits for a business by increasing morale, improving employee retention and productivity, and ensuring a more diverse and inclusive workforce by giving access to greater talent pools than would have previously been the case.

This Bill is not the first time that legislation relating to flexible working has been brought before Parliament. The statutory right to request flexible working is an employment right under part 8A of the Employment Rights Act 1996, with section 80F setting out the statutory right to request contract variation. The Children and Families Act 2014 also includes such a provision. It is welcome that Governments of all colours have brought in legislation on flexible working, and I am pleased to see that this Bill has cross-party support.

I know the Minister is well versed in business and experienced in dealing with employment-related matters, and he will have heard the sentiments of the House today. I thank the hon. Member for Bolton South East for giving us the opportunity to talk about these important issues and wish her every success as the Bill continues its passage.

12.1 pm

Chris Clarkson (Heywood and Middleton) (Con): I am grateful for the chance to speak on this important Bill. I would like to thank and congratulate the hon. Member for Bolton South East (Yasmin Qureshi). It is always nice to be able to work cross-party with a fellow Greater Manchester MP—although we are both from the bit that calls itself Lancashire, so let's say Lancashire MPs.

The covid pandemic was an extremely difficult time for this country. However, some of the solutions that were necessary during those difficult times should be looked at as opportunities for the future, and flexible working is a prime example. Many people, especially in constituency, do not work in industries where practices like working from home are possible. We owe a huge debt to those workers in industries, such as food production, manufacturing or logistics who, even at the height of lockdown, continued to go into factories and warehouses to ensure that there was food on supermarket shelves and supply chains were kept running.

None the less, in many more industries than we thought possible, we found out how flexible working could refine our workplaces. Whether that was working from home or working different hours, we saw that work could still be completed to the highest of standards and that targets and key performance indicators could

still be met, with many people being able to continue meetings and work in a productive way. It also added the possibility of some jazzy backgrounds and bookshelf competitions on all those many hours of Zoom meetings.

My team were able to continue working straight out of the box. Having just been made an MP, I had to assemble a team, but they could not get into the office, so we all had to talk on Teams or Zoom for hours a day. They managed to plough through thousands of cases and we got to our 5,000th case within the first 18 months. It was an incredibly trying time. If my team had not been able to work their hours around what was going on in their own lives, such as childcare and looking after relatives, it simply would not have been possible. In a real sense, flexible working stopped this country from falling over.

Andy Carter: I am struck by the point my hon. Friend is making. As Members of Parliament, we are lucky to be able to use a laptop and work from home, but the vast majority of working people are not using laptops on a day-to-day basis. As my hon. Friend mentioned, they are going into their workplaces to use the equipment there. He is absolutely right that this legislation is not just about working from home; it is about the flexibility to ask for varying times and adjustments. It recognises that employers have certain requirements as well. Does he recognise that employers benefit from having those flexibilities?

Chris Clarkson: My hon. Friend is entirely correct; fundamentally, it is about making sure that work is done by the best possible people in the best possible way. The reality is that not everybody lives a nine-to-five lifestyle any more. For example, often now both parents work, and people have childcare commitments or are carers. The option for someone to vary their working practices in a way that allows them still to make a good living and maintain a good home life is incredibly important.

Flexible working can be a lifesaver for parents of young children, single parents, those with disabilities and carers. Parents are now able to pick up their children from school regularly, and that relationship is good for the mental health not just of the parent but of the child. I am of an age such that I remember my mum being at home the entire time and dad going to work, and because of the nature of his work I sometimes would not see him for a very long time. It is really important to have that relationship with both parents.

I have heard about employees nearing the end of their careers but now feeling more able to continue to work because they have the option to work differently. That is really important for small businesses in particular, because there may be a bit of institutional knowledge that cannot be easily replaced, so it is a good thing to give somebody the chance to work differently, train somebody else up, cut back their hours and look forward to their retirement as part of a managed process.

I should also highlight the positive effect of flexible working on shrinking the wage gap. ONS figures for 2022 show that for those under 40 the gender pay gap for full-time workers is just over 3%, but for those aged 40 to 49 and above the pay gap jumps to 10.9%. For those over 40, there is a lower incidence of women being promoted into higher-paid positions and a higher incidence of women moving from full-time to part-time work.

That change from full to part-time work directly corresponds with a very difficult decision that a lot of new parents have to make: whether to return to the office or stay at home to look after the children. For most, the extortionate cost of childcare means there is only one viable option. This results in parents—still mostly mothers—leaving the workforce or taking up part-time roles, thereby stalling their career development and thus increasing the gender pay gap. But we now know that this is not necessary. Parents can, and should, share duties while working from home or by changing their hours, and they should have a right to request such flexibility from their employers. We must make sure that access to such a style of working is available to everyone.

The Bill will benefit not only employees but employers. Businesses and companies thrive when the best people are in the right position and are able to do the job they are trained to do. By tearing down the barriers that prevent parents, the disabled, carers and older people from remaining in the workforce, we will unleash a wave of potential into our economy. This is a win-win piece of legislation, so I again thank the hon. Member for Bolton South East for bringing it forward. I encourage colleagues to support the Bill and look forward to supporting it myself.

12.7 pm

Sally-Ann Hart (Hastings and Rye) (Con): I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on bringing this pertinent piece of legislation to the House for consideration.

In 2003, legislation came into force that provided employed parents, and certain other carers, of children under the age of six or disabled children under the age of 18, a statutory right to request a flexible working arrangement if they had 26 weeks of continuous service. Such an arrangement could include, for example, a change to their work location, working hours and/or associated working pattern. The right was rightly extended to carers of adults in 2006 and of children under 17 a few years later in 2009.

The Children and Families Act 2014 extended the right to request flexible working to all employees with 26 weeks of continuous service. The current statutory framework is intended to help employers to secure the business benefits of flexible working; to enable employees to better reconcile their work and non-work lives; and to provide employees with access to contractual flexible working.

As a result of the covid-19 pandemic, many businesses that previously had never adopted flexible working were forced to take on new arrangements, primarily including remote working, as was the case in my private office—I am sure that other Members experienced exactly the same thing. This change required the use of new technology for work and the finding of new ways of working.

I am glad that the Government strongly support flexible working and believe that only by championing a flexible and dynamic labour market will we grow the economy while better supporting employees across the country.

In September 2021, the Government published a post-implementation review of the Flexible Working Regulations 2014. It found that 80% of employees and 96% of employers reported that flexible working was available in their workplace. Notably, it stated:

[Sally-Ann Hart]

“In the vast majority of workplaces (83%), where a request had been made the request was granted.”

However, it also found that flexible working take-up has remained broadly flat since 2014, with an all-economy average of 59%, as well as highlighting differences in reported take-up and availability, spanning sectors, occupations and genders, as well as different sizes of workplace. In the same month, the Government published a consultation on proposals to encourage a better dialogue regarding flexible working opportunities; it aimed to increase the frequency of requests, as well as speeding up the administrative process involved in making them.

I welcome the amendments that the Bill will make to the Employment Rights Act 1996. Ultimately, it seeks to introduce a requirement for employers to consult an employee before they can reject a flexible working request. As a result of the pandemic, hon. Members present have first-hand experience of managing and working with staff on a remote basis. Although not without its initial challenges, particularly in relation to technology, it has proved both practical and successful. At its best, flexible working can provide employees with a better work-life balance, which in turn is to the practical benefit of employers. It also means that people born in my beautiful constituency of Hastings and Rye can live and work in the community where they were born and grew up.

There is, I think, broad support among hon. Members for this Bill and for what it entails. That support is echoed by a whole range of interest groups, organisations and individuals. We have seen that remote and flexible working has been hugely beneficial for many people; I believe that ultimately the provision of flexible working, whether or not it is welcomed, is destined to be a key part of the make-up of business and employer-employee relations in the coming years.

If we want the British economy to grow in real terms and grow in dynamism, it is imperative that changes to the workplace are properly considered, evaluated and embraced. That will be to the benefit of employees, employers, the wider public and society more generally. Positive change in the workplace cannot and should not be held back, as we are here today to recognise. It is through that lens that I consider the hon. Member's Bill. I know from speaking to residents of Hastings and Rye that it will be welcomed by many of my constituents. For all those reasons, I give the Bill my strong support.

12.13 pm

James Daly (Bury North) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests: I am a practising solicitor and a partner in a firm of solicitors.

I support the Bill, which I think is a perfectly reasonable Bill. I am pleased to support the hon. Member for Bolton South East (Yasmin Qureshi), a fellow Lancastrian MP. I do not know whether she would wish me to say this, but I remember the halcyon days at Bury magistrates court when the hon. Lady, an eminent barrister, used to prosecute my clients and I did my best to defend them, mainly unsuccessfully. The memories came flooding back when I heard her speech. It is good to support her with a good Bill, but I want to make some points that I hope are constructive.

Flexible working is not a panacea. Every speaker so far has talked about it as something that the economy has to go towards. For a huge employer such as Zurich International, with the right resources and in a business whose nature suits it, I am sure flexible employment is a good thing.

If you will indulge me, however, Madam Deputy Speaker, I would like to mention my wife Joanne, who is up in the Gallery. She is a small business owner—she runs a business in Bury North—and the opportunity for flexible working in her life is non-existent. As a self-employed person, she does not have the luxury of being able to do that. She works—I am not saying this because she is my wife—night and day to keep people in employment.

The nature of the business that Joanne runs—my hon. Friend the Member for Darlington (Peter Gibson) ran a similar business for many years—means that it is incredibly difficult not to have employees in the office. It is a firm of conveyancing, will and probate solicitors. With the technology and interaction that is required, in the main employees have to be there to do the job. As MPs, we sometimes forget that. Colleagues have talked about experiences in the pandemic. For small businesses in constituencies across the country the thing that matters is making money. They make money in order to be able to pay wages, and if they cannot do that, flexible working conditions do not exist at all.

This is a reasonable Bill, because it does not place undue burdens on people in businesses of different sizes, but we have to understand how businesses work, including small businesses. The situation for a business in Bury that employs 10 people does not correspond to that of Zurich International. This is not a criticism of the Bill, and I know that the hon. Member for Bolton South East reflected this in her speech, but when we talk about self-employment—we should talk about the self-employed much more in the House and cherish them much more—we must understand the sacrifices that thousands of self-employed people make to ensure that others at least have the opportunity to work in a flexible manner.

I have another concern about flexible working—I would welcome the thoughts of other speakers on this—as Bury Council, laudable organisation that it is, has essentially encouraged all its staff to work from home. During the pandemic, we had to work at home—now that may be a good thing, or it may be a bad thing. One impact is that people are not in town centres. They are not going to a local shop to buy tea, coffee and sandwiches at lunchtime. There are hundreds fewer people in town centres. If we are going to encourage flexible working—again, I think that there is a lot of merit in that—we must accept that there are consequences. We have to look honestly at the issue of productivity, which blights the labour market and our industrial output.

During the pandemic, many of us had to work from home—that was true of the Passport Office and the Driver and Vehicle Licensing Agency—but I remain to be convinced of the benefits of that step for such organisations, which need access to certain types of information, and there is also a need for interaction with colleagues. When we offer flexible working, especially in the state sector, we have to be mindful of productivity and what it means.

Andy Carter: I am grateful to my hon. Friend for allowing time for interventions. He is making an excellent speech, and I agree with many of the points that he has made, which have prompted earlier interventions from me. One of my concerns, having run a small business, is that when teams are together in the office a culture is created, with a transfer of knowledge. If someone is working from home that does not happen, which is why it is incredibly important that businesses think carefully about how they can allow flexible working to take place. It is not one size fits all, and for small businesses with only two or three people, having everyone working from home is not necessarily right. They have to create the workplace culture that is right for them.

James Daly: As ever, my hon. Friend is absolutely correct. We have to be mindful of that. Again, the House has to understand the pressures on businesses. This is an extremely difficult time for businesses across the country. The concept of flexible working takes second place to being able to pay wages and bills, and making sure that people are employed.

Yasmin Qureshi: Can I alleviate the hon. Gentleman's concern? Under the Bill, if the employer says, "No, I cannot provide flexible working," that will be the end of it. There is no ability on the part of the employee to take the employer to an industrial tribunal or any such thing. If the employer says no, that is the end of the matter, so I do not think that small businesses or any other employer have to worry about the consequences of the Bill.

James Daly: I thank the hon. Lady for her intervention. As I said at the start of my speech, that is the very reason why I support the Bill. It does not place burdensome legal responsibilities on employers, but, while I am not criticising the Bill or the good intentions that underpin it, it is right that we discuss the realities of small businesses and the pressures they are under.

I welcome the Bill. It is great to be able to support a fellow Greater Manchester/Lancashire MP in trying to change employment practice. Flexible working is a great concept, because we want to ensure that people are not locked out of the labour market. As the hon. Lady has rightly said, many people with childcare responsibilities, and others, need flexible working to help them into the market and to ensure that they have an equal opportunity to thrive and succeed. There are, however, other realities that we must always keep under consideration, and we must always celebrate the self-employed.

12.21 pm

Antony Higginbotham (Burnley) (Con): It is a pleasure to speak in this debate. May I start by welcoming my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) to his rightful place on the Front Bench? He will bring incredible expertise to his role.

I also congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on bringing this Bill to the House. I spent some time with her on a parliamentary delegation a few months ago and know from the conversations that we had then, not just with each other but with counterparts and other organisations, how much this matters to her.

The working world has changed fundamentally over the past two decades—not just the typical 9 to 5, Monday to Friday, but flexible working, too. What was

once an exception is now very much a norm. Whether it is flex time, part time, compressed hours, annualised hours, working remotely, job sharing or sabbaticals, it is far more common for employers to offer it and for employees to accept. That only increased further during the covid-19 pandemic, when we saw lots of business rethinking how they do things and what they need from their staff, including many in Burnley and Padiham, who saw organisations for the first time adopt flexible working practices and do so rapidly.

That did not just mean employers in my constituency offering remote working. They also took a more flexible approach to childcare and the hours that employees could work. Some have sought to scale that back, but a great deal more have continued with those arrangements, even if with tweaks, because they have seen ways in which their business can adapt.

We must recognise, however, as my hon. Friend the Member for Bury North (James Daly) has said, that flexible working is not suitable for every company, every employee or every set of circumstances. We need to encourage employers to give greater thought to flexible working and to whether it is one way of getting a more productive workforce.

There are a host of brilliant manufacturing businesses in Burnley and Padiham. For them, flexible working may—I emphasise the word "may"—be more difficult to operate in practice. They may have shift patterns or they may need to keep the factory open 24/7. We saw how important that was during covid, when companies switched from manufacturing their traditional product to producing PPE and hand sanitiser. If flexible working, employees working from home and annualised hours do not fit a shift pattern, we in this place have to be mindful and respectful of that.

I wonder, therefore, whether there should be an option in law not just to say yes or no to a request for flexible working, but to give a trial period, where the statutory consideration period of three months—or two months, if this Bill is passed—would not be necessary and the employer could say, "It's not a yes and it's not a no; we want to see whether it works." I think that would alleviate the concerns of small businesses and businesses that have never found a way to offer flexible working.

Dr Luke Evans (Bosworth) (Con): It is an interesting idea to consider how to allow a bit of flexibility both ways. Who would my hon. Friend see as the right arbiter for such a scheme?

Antony Higginbotham: Ultimately, that must be a conversation between the business—the employer—and the employee. I think most employers want to do the right thing for the people who work for them; that is how to have a productive and motivated workforce, and the employee often wants to do the right thing for the employer. Getting both sides together to say, "Is there a way of coming up with a trial period? It may not be exactly what the employee has asked for or exactly what the employer has offered for so long, but is there a trial period?" while the employer knows that at the end of that period there is no obligation to say, "Yes, this definitely works.", or, "No, it definitely doesn't.", but that there is the option to consider it, would help.

If the trial does not work out as planned and the employer does not think it is sustainable in the long term—something that is sustainable for four or five

[Antony Higginbotham]

weeks might not be sustainable for four or five years—then that gives the employer confidence to say, “Not now, but I’m happy to look at it again.” It gives the employer a little bit more flexibility.

As I think about my constituency, an area with higher unemployment than some other parts of the country, flexible working offers an opportunity to bring people back into the workforce who might otherwise struggle, be it because of childcare issues or because they are not ready to take on full-time hours. In doing that, we must ensure that we address some of the points my hon. Friend the Member for Warrington South (Andy Carter) made about building a culture: if we are bringing someone back into the workforce for the first time, they might want a greater propensity for working from home or doing annualised hours, but if the impact is that they do not properly get the opportunity to embed themselves in the organisation and get the benefits of learning from colleagues, the downsides outweigh the positives.

James Daly: My hon. Friend is making an excellent speech, but I want to touch on productivity, because that is the central point. It is great to offer people the chance to work in various different ways and by various means, but if that employee is not productive in that situation away from the office, it simply cannot happen.

Antony Higginbotham: I agree entirely with my hon. Friend. One of the great problems that has vexed our economy for at least a decade is lost productivity or the suppression of productivity growth. Any changes that we try to make to employment law and employment regulations must have at their centre, “What will this do for productivity?”. Ultimately, we have spoken for a long time about a focus on economic growth, but—particularly in an economy like ours, where unemployment at the national level is at 3.5%—the only way to have sustainable high growth in the economy is by increasing employee productivity. We must think carefully about how we do that.

This Bill provides a way forward and offers both employers and employees a balance of flexibilities. As we think through the Bill as it goes to Committee, we must consider whether there are further tweaks we could make to flexible working and the kind of options available to employers, so that they can say yes, no or offer a possible third option. Nevertheless, I look forward to supporting the Bill later.

12.28 pm

Anna Firth (Southend West) (Con): I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on bringing forward this important Bill. It is a very worthwhile Bill and I am delighted to see that it has the support of all sides of the House—or certainly two sides of the House. I also welcome the new Minister, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), to his place and look forward to hearing his summing-up.

This Bill is incredibly timely. Over the course of the covid pandemic, people’s working patterns and their expectations shifted dramatically. Many businesses that had never considered flexible working suddenly had to adapt to new ways of working, including remote working.

Speaking for myself, I was rather overwhelmed initially by the advent of Zoom technology, chatrooms and Google Meets, but I found that I was not a dinosaur. I adapted and I innovated, as did many entrepreneurs and schools. We had fascinating insights into the workings of parish councils and discovered that the host was all-powerful, even though Jackie Weaver did not have the authority in the end.

Before I came to this place, I set up the Invicta National Academy, which is a charitable venture that provides an entirely online tuition service. I remain a member of its advisory council, as set out in the Register of Members’ Financial Interests. It is an archetypal flexible working enterprise: teachers came from all over the country to teach children who were stranded at home. The staffroom was always virtual, teachers could prepare their lessons whenever they wanted, and they could choose how many lessons and courses they wanted to teach, but the quality of what they produced in those Zoom classrooms was first rate.

Good organisations innovated and moved ahead, but of course, the world has now returned to normal. I cannot imagine working 100% remotely, particularly not in this place. I welcome the connection and the ability to discuss; I think we produce better legislation that way. A rigid working day does not necessarily suit everybody, however, particularly those with caring responsibilities or with disabilities, and we need to look after them and preserve their place in the workforce. I am delighted that the Government strongly support flexible working. We understand that the only way to grow an economy is to champion a flexible and dynamic labour market.

It has been interesting to hear stories from Members on both sides of the House of interesting and successful flexible working patterns in their constituencies, and of course Southend West is no different. The spirit of innovation and enterprise marks out Southend as an impressive city, however, which is why it should be considered for the UK city of culture in 2029. I will highlight two examples. First, the Southend citizens advice bureau offers a hybrid approach to every single employee and volunteer, which is taken up by between 30% and 40% of them. It offers a work-life balance that is designed to work for everyone involved with it. I am delighted to hear that that has been a huge success with staff very happy with the arrangements.

Secondly, I will highlight the charity Action for ME—myalgic encephalomyelitis—which contacted me before this debate. As I am sure all hon. Members know, ME is a chronic, fluctuating illness that is characterised by a feeling of extreme tiredness all the time. One in every 250 people in the country is affected by ME, including 740 in my constituency. Some 25% of them are severely affected, which often means being housebound. Less than 10% of people with ME are in full-time work, so the ability for them to work remotely and flexibly, and to build a schedule around managing their symptoms, is incredibly important and is a way to preserve their mental wellbeing as well as their financial stability and security.

I am pleased that the Bill will support those with ME, particularly the 740 in Southend West. It will help them to develop better employer-employee trust and open communication. It also opens the door for employees to request flexible working time more often.

I welcome four specific aspects of the Bill. First, the proposal to introduce a requirement for employers to consult the employee before rejecting their request for flexible working. That will make the process more open and transparent and also make life much easier for those with other responsibilities. It also seems to be civilised in 21st century Britain for employers to behave in that way.

Secondly, it is an improvement on the current situation that the Bill will allow an employee to make two statutory requests in any 12-month period rather than the current one request. It alleviates to some extent—not fully of course—the worry that an employee with disabilities or caring responsibilities will have about whether to use up their one request at a particular moment in the year, or whether to battle on. At least now, there will be two opportunities.

Thirdly, I welcome the fact that the Bill will force employers to make these important decisions in a timely manner. The proposal is to reduce the decision period within which an employer is required to make that decision from three months to two months. Three months is a long time to be waiting and worrying about whether a request will be granted.

Finally, removing the requirement that the employee must explain in the statutory request what effect the change would have on the employer and how that might be dealt with is good progress. We are moving into a world in which flexible working arrangements will be seen as the norm rather than the exception.

In conclusion, flexible working is now a fact of life. It provides people with the ability to manage their lives alongside their working arrangements. I am pleased to be here today to support the Bill and I am grateful to the hon. Member for Bolton South East for giving us the opportunity to debate this important issue in the House today.

12.36 pm

Danny Kruger (Devizes) (Con): I am pleased to be able to speak on this important Bill, and my congratulations and appreciation go to the hon. Member for Bolton South East (Yasmin Qureshi) for bringing it to the House. I am also delighted to see my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on the Front Bench where he properly belongs. He will be able to see the Bill through the House and to honour our manifesto commitment, which said that we wanted to make flexible working the default option for employment. I am very much in support of that principle for the reasons that have been so well set out by colleagues across the House. My thoughts are with those who have caring responsibilities who need the additional flexibility that the Bill will bring them in order to stay in the workforce and continue to contribute to our economy, but also to put their families first, as we all do. I refer in particular to those with disabled members of their family, children at home and older people.

The Bill will also be helpful to those who have other responsibilities or interests that they want to discharge alongside their employment. One of the great needs of our society at the moment is for people to contribute in their communities at home, as so many would like to do and, indeed, as so many were able to do—if in a slightly strange way—during the pandemic when they stepped

up to play a role in their neighbourhoods. For all the intense stresses and distresses of that era we did see something of the society that we would like to have in future where people are living and working closer to home, playing an active role in their community and being good neighbours to each other.

The new economy that is emerging is one in which we care less about balancing work and life as if those two things have completely different spheres and operate in different universes from one in which work and life are more blurred, where we could have a more local, more sustainable life in which our economic and our community activities are interlaced, which is a very good thing. I revere my right hon. Friend the Member for North East Somerset (Mr Rees-Mogg), the former Secretary of State for Business, Energy and Industrial Strategy, but I do not share his fetish for office working at all costs. There is a great role for working from home, and it is really about negotiation between employers and employees about how to get that balance right.

The only aspect of the Bill that concerns me slightly—and I shall be interested to hear the Minister's view on why we are supporting it—is the withdrawal of the obligation on the employee to explain to the employer what the effect of flexible working would be for the company. I wonder about that, because a successful employer-employee relationship is one of common interest. I think it appropriate to ask an employee who is seeking a homeworking or flexible-working arrangement what effect that might have on the company or other organisation and on that person's colleagues, and I think that that was a good principle. I support the Bill and I recognise that it might be appropriate to withdraw that obligation, but I think—and my hon. Friend the Member for Bury North (James Daly) made this point very well—that we need to consider what burdens we impose on businesses when we extend workers' rights, and should always seek not to create an adversarial relationship between employers and employees, who ultimately share common interests.

That aside, I am happy to support the Bill, and look forward to hearing from the Minister later.

12.40 pm

Fleur Anderson (Putney) (Lab): It is an absolute pleasure to speak in the debate. As a mother of four who has had to negotiate very different flexible working practices throughout those years of being a mother and carer, I can assure the House that this subject is close to my heart.

I would like to invite you, Madam Deputy Speaker, to my jobs fair on 11 November at the Roehampton leisure centre. I hope that plenty of people who want flexible-working jobs—and, indeed, many other jobs—will be able to come and find out more about employment opportunities in the Roehampton, Southfields and Putney area.

I also want to pay tribute to my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), the Mother of the House, who marks 40 years in Parliament today, and who inspired me to get into politics. She has campaigned for flexible working throughout her time in the House. She was the architect of the Low Pay Commission and the Equality Act 2010, she has been a champion for women in the workplace in Parliament and at home, and she is a long-time campaigner for flexible working for parents, grandparents and carers.

[Fleur Anderson]

I congratulate my hon. and brilliant Friend the Member for Bolton South East (Yasmin Qureshi) on bringing this vital Bill to the House, on working with Ministers, many organisations, many employers and others to bring it this far, and on her powerful speech. Labour fully supports the Bill, and I am glad that so many Members who have spoken today have come together to allow this common-sense piece of legislation to progress.

As I said earlier, I have four children, and at different times during their early years and primary-school education I would have benefited greatly from these provisions—from knowing that I could ask for flexible working, knowing that I could ask for it for my team as a manager, and knowing that it would not just be up to a certain manager or senior manager or the culture of a particular organisation where people might say, “This just isn’t the way we do it here”. I have had two job shares. I have experienced various changes in working times and hours and locations, depending on when my children were at nursery or at primary school and when I had to pick them up. Every time I went back from maternity leave—four times—my children immediately fell ill and I had to ask for some kind of flexible working: it just seemed to happen that way. The “day one” provision is very welcome, meaning that people will no longer have to wait for six months or many weeks. I have job-shared in politics as well, as deputy leader of the Wandsworth Labour group, and I would welcome much more flexible working in our political systems too.

Covid showed how differently we can work, and was a huge culture-changer. That, I think, will enable this Bill to be enacted and make an even bigger difference. It does make a huge difference to be able to stay in work with caring responsibilities, and, as others have mentioned today, that will greatly increase the recruitment and retention of the best possible workforce for our country. Flexible working should have been the past for far longer, but it is certainly the future. It is crucial to achieving gender equality in the workplace and a fairer, growing economy, changing our economy and the world of work for the better.

It is disappointing that the Government have not made a pledge on flexible working in an employment Bill—such a Bill has still not been brought to the House—and up to now have repeatedly failed to follow through on their promises to promote flexible working. As Working Families showed, one in three requests for flexible working has been turned down, so we do need this legislation to lead a change in working culture. With rights enshrined in law for those conversations, working culture will catch up much faster. Flexible working is not just about working from home, it is also about the place in which people can work and changing hours according to needs. The changes that the Bill would make are straightforward and make complete sense.

As has been said, the Bill would introduce a requirement for employers to consult the employee before rejecting a flexible working request—or accepting it, as I hope will happen more frequently. It would also allow an employee to make two statutory requests in every 12-month period rather than the current one request. That talks to the realities of life, where people can have changes to their caring responsibilities, changes if they have a long-term

illness—there could be a change to that illness during the year—or changes that may come about for their partner or other people with whom they are sharing caring responsibilities. There may be many changes, so two requests instead of one would be welcome.

The Bill would also reduce the period in which an employer is required to administer the statutory request from three months to two months—obviously, it would be hoped that a decision would be made more quickly—and remove the requirement that the employee must explain in their statutory request what effect the change would have on their employer and how that might be dealt with. That would be shifted so that the employer would have to look into it and think about ways in which it could make a request work.

A Labour Government would go further. As part of our new deal for working people, we will ensure that all workers have the opportunity to benefit from flexible working and that they can do so from day one as a default right, with employers required to accommodate that as far as possible. The right to flexible working would include flexible hours, compressed hours, staggered hours and flexibility around childcare and caring responsibilities. A Labour Government would support small and medium-sized businesses to adapt to flexible working practices and increase the uptake of flexible working. Labour would also end one-sided flexibility, with all workers having secure employment and regular and predictable working hours so that they can plan their lives around a stable job.

I want to spend some time reflecting on the impact of that on women in particular. The level of economically inactive working-age women rose by 124,000 compared to the year before. There are 1.5 million more women than men currently out of and not looking for work. In January to August 2022, the number of people—men and women—who were economically inactive due to having to look after family members increased by 79,000 on the year before, and one in five economically inactive people cite looking after family members as the reason for that. Those figures demonstrate the need for the Bill.

For too long, working women have been denied good quality, affordable childcare, proper parental leave and access to flexible working, and our country has been denied the opportunity for growth that they would bring. Gaps in employment because of a lack of flexibility and needing to leave work at times result in a loss of confidence to return to work, having been out of work for some time. They also result in reduced pension entitlement and reduced opportunities for career progression. Those, in turn, are a major reason for the gender pay gap. The changes that this flexible working Bill would bring about would transform many people’s work and go a long way to reducing the gender pay gap.

I again congratulate my hon. Friend the Member for Bolton South East as well as the TUC’s “Flex For All” campaign, Action for ME, Working Families, and Pregnant Then Screwed. Those groups have been right to call out the Government for their shocking track record and repeated broken promises on supporting working mums, dads, carers and people with ME, but the Bill will be transformative for working people and will address many of those appalling statistics.

This is an excellent and long-overdue piece of legislation that will transform the lives of hard-working people up and down the country. This place is at its best when it is

united around common sense and a common cause, so I thank the Government for their support in letting the Bill progress through the House.

Madam Deputy Speaker (Dame Eleanor Laing): Order. Just before I call the Minister, it was a pleasure to hear the hon. Member for Putney (Fleur Anderson) congratulate the right hon. and learned Member for Camberwell and Peckham (Ms Harman) on the 40th anniversary of her election to this place. May I, on behalf of the whole House, send our congratulations to the right hon. and learned Lady, who, 40 years ago, was a trailblazer about to become not only a very young female Member of Parliament, but a mother? She has been a role model and a champion for women in politics these past four decades and the whole House joins me in sending her our most sincere congratulations and best wishes. [HON. MEMBERS: "Hear, hear."]

I now have even greater pleasure in calling the newly appointed Minister, Kevin Hollinrake.

12.51 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): Thank you, Madam Deputy Speaker. I associate myself with the comments made about those 40 years of service by our colleague, the right hon. and learned Member for Camberwell and Peckham (Ms Harman). I would also like to pay tribute to my predecessors, not least my hon. Friend the Member for Sutton and Cheam (Paul Scully) and my hon. Friend the Member for Watford (Dean Russell), who did great work in a disappointingly short time in office—perhaps not too disappointing for me, but he was doing a wonderful job.

I thank the hon. Member for Bolton South East (Yasmin Qureshi) for bringing forward this very important Bill. I was struck by her words when she described it and similar legislation as a lifeline to many people, not least carers, parents and those living with illness or disability. I really appreciate what she has done with the Bill. The key point in her speech was, I think, clarification on the day one right. The shadow Minister, the hon. Member for Putney (Fleur Anderson), also raised that point in her speech. It is a key part of this policy package and we will respond fully when we bring forward the response to the consultation shortly.

I thank all hon. Members who spoke on this subject today. We heard some fantastic contributions. My hon. Friend the Member for North Devon (Selaine Saxby) talked about flexible working benefiting people in rural communities, which I am clearly very keen to support. She also pointed out that this is a very competitive jobs market. In fact, it is the most competitive jobs market since 1974, in that we have record low unemployment levels not seen since 1974, which I think we all welcome.

My hon. Friend the Member for Darlington (Peter Gibson) talked about how he personally facilitated flexible working for his employees before becoming a Member of Parliament. My hon. Friend the Member for Heywood and Middleton (Chris Clarkson) talked about flexible working helping parents to manage childcare and decreasing the gender pay gap.

My hon. Friend the Member for Hastings and Rye (Sally-Ann Hart) talked about employees having a better work-life balance being beneficial to employers. I was

struck that many contributions did not just talk about the benefits of the Bill for employees, but that it is also critical for employers.

My hon. Friend the Member for Bury North (James Daly) talked about his own experiences and about those who run small businesses that are particularly affected by this kind of legislation and that they must always be in our thoughts. My hon. Friend the Member for Warrington South (Andy Carter), in his interventions, talked about concerns around productivity and the impact on town centres, as did my hon. Friend the Member for Burnley (Antony Higginbotham), who raised the idea of a trial period—a very interesting point. That can be done under existing legislation by granting the right to flexible working for a certain period of time and then reviewing it subsequently, but it is a very good point. The key thing is that at any point, as the hon. Member for Bolton South East pointed out, any business can reject a request if it gives reasons for doing so, which is one thing specified in the legislation. A request can be rejected on the basis of cost to the business, quality or, indeed, the performance of the employee.

My hon. Friend the Member for Southend West (Anna Firth) talked about how the Bill could help people with conditions such as ME, by bringing more people into full-time work, and my hon. Friend the Member for Devizes (Danny Kruger) talked about how the pandemic has increased the ability of our communities to operate more effectively and about the importance of employers and employees having a conversation about whether changes to employee working patterns are appropriate. That is another key part of the Bill.

The Government are committed to ensuring that the UK is the best place in the world to work and grow a business. To do that, we need a strong and flexible labour market that supports participation and economic growth. The Bill formalises good working practices, so I am pleased to confirm that the Government will support it.

As has been discussed, flexible working has a key role to play in supporting the labour market participation of certain groups relating to disability, childcare, health and retirement. Many strategies seek to encourage workplace conversations. We know that with a good discussion and a bit of flexibility, working patterns can be adapted to benefit both parties.

As many Members outlined, it is hugely important that we consult employer groups and employee groups on legislation such as this. We did that through the flexible working taskforce, which involved a range of stakeholders from employee groups and employer groups, such as the Federation of Small Businesses.

The ability to vary the time, hours and place of work is key to the effective functioning of the flexible labour market in the UK. Research suggests that in the absence of suitable working hours or locations, groups of people are either not employed, have retired early, or are working below their potential. That is clearly bad for them and for the wider UK economy.

The Office for National Statistics recently published findings showing that older workers who work flexibly are more likely to be planning to retire later. Another of its studies looked specifically at older workers who have left work since the start of the pandemic but would

[Kevin Hollinrake]

consider returning to paid work in future. It found flexible working to be the most important aspect of choosing a new job among that group.

Once employed, those with a flexible working arrangement have been found to be more engaged and more likely to increase discretionary effort. A 2017 report published by HSBC showed that nine in 10 employees consider flexible working hours to be a key motivator to their productivity at work.

The right to request flexible working acknowledges that there is no one-size-fits-all approach to work arrangements. It is designed to help employees and employers to find arrangements that work for both sides. In September last year, the Government published a review of the legislation that found that in the vast majority of cases—83% of them—in which a statutory request is made, it is accepted.

The review found the framework to be functioning adequately but highlighted some relatively minor areas for improvement, which the Bill seeks to address. The areas for improvement were the 26-week qualifying period before a new employee can make a request; how employers consider and refuse flexible working requests; and the administrative process that underpins the framework. One year on, the Government are pleased to see that this Bill reflects what we consulted on. Although, as I said earlier, I cannot go into the detail of our consultation response, we will bring it forward shortly.

The Bill will make important changes to the right to request flexible working, setting the right conditions for employees and employers to realise the benefits of flexible working. The Government are committed to building a strong and flexible labour market that supports participation and economic growth. It is great to see support for these measures across the political spectrum in the House, as has been evident from today's debate. The Government look forward to continuing to work closely with the hon. Member for Bolton South East to support the passage of these measures.

12.59 pm

Yasmin Qureshi: With the leave of the House, I would like to thank all hon. Members for their contributions: the hon. Members for North Devon (Selaine Saxby), for Darlington (Peter Gibson), for Heywood and Middleton (Chris Clarkson), for Hastings and Rye (Sally-Ann Hart), for Bury North (James Daly), for Burnley (Antony Higginbotham), for Southend West (Anna Firth) and for Devizes (Danny Kruger), and, obviously, the shadow Minister, my hon. Friend the Member for Putney (Fleur Anderson), and the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Thirsk and Malton (Kevin Hollinrake).

I think we all agreed that this Bill is a good idea. It will benefit employers and employees. We are mindful of the fact that some jobs can only be done in person and so there may not be the opportunity for flexibility, but we also know that there are many, many jobs where there can be such an opportunity. This is just a question of drawing the attention of employers and employees to the fact that there are other ways of working, and the pandemic has really brought that home.

I seek clarification of one thing the Minister said about the day one right, to which I referred. I do not know whether I misheard, but I believe he said something about consultation on this. I may have misunderstood the discussion in question, but my understanding was that the reason the day one right is not in the Bill is to do with the statutory parliamentary draftsman saying that this is going to be introduced by means of a statutory instrument, secondary legislation, once the Bill is passed. I wanted that to be reconfirmed, because one of the most exciting things about the Bill is a day one right. I hope the Minister will be able to give confirmation on that. Finally, I wish to thank everyone again, particularly the Government Whip, the hon. Member for Castle Point (Rebecca Harris), for being absolutely fantastic. I thank her for all her help in guiding and advising me through the passage of this Bill, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Mr Deputy Speaker (Mr Nigel Evans): Congratulations.

Child Support Collection (Domestic Abuse) Bill

Second Reading

1.1 pm

Sally-Ann Hart (Hastings and Rye) (Con): I beg to move, That the Bill be now read a Second time.

I am pleased that we have time today to debate this Bill, which is an important measure to help safeguard victims of domestic abuse who use the Child Maintenance Service. MPs from across the House will have experienced casework where constituents—predominantly women—who are struggling financially find it very difficult to make their former partner pay child maintenance and have to chase this through the CMS.

We have all seen the impact, mainly on women, and children, when abusers have made it difficult for their former partners by using money as a means of controlling them. Although the majority of separated parents do all they can to make sure they financially support their children, we have all had casework on the non-payment of child maintenance. I praise in particular the work of Baroness Stedman-Scott, the Minister in the other place, for her focus and hard work on this issue, as well as the CMS staff. Chasing non-payers, even when victims sometimes just want to give up, lifts thousands of children out of poverty. Since 2019, more than £1 billion of child maintenance support has been collected and arranged each year through direct pay and collect and pay. Until fairly recently, financial abuse has been under-recognised as a form of domestic abuse, in which victims, predominantly female, are cut off from sources of money by their partner as a form of control. I therefore cannot discuss this Bill, which is concerned with a niche aspect of domestic abuse, without mentioning the work of consecutive Conservative Governments on this serious issue. The most recent piece of legislation against domestic abuse is the Domestic Abuse Act 2021, landmark legislation that significantly enhances protection for victims of domestic abuse.

Some 2.4 million people in England and Wales are estimated to have suffered some form of domestic abuse. In the UK, some reports estimate that one in eight adults—5.9 million people—experience economic abuse in their lifetime from a partner or family member. Some 4.2 million of them are women, and this financial abuse can leave women with no money for basic essentials such as food and clothing. Financial abuse also has an impact on children, who are real but all too often overlooked victims.

In my former role as a magistrate, I witnessed at first hand how perpetrators of domestic abuse can sit in a courtroom, lie, make sounds or move in a certain way that, to the victim, is terrifying. I have also witnessed those who try to use money or access to money as a means of control, leaving victims feeling worthless and powerless.

Dr Luke Evans (Bosworth) (Con): My hon. Friend is making a powerful speech and I support her Bill wholeheartedly. She is right to point out how children are victims. In my former role as a GP, before coming to the House, I used to see the impact of domestic abuse on children, and not only when they were young but throughout their lifetime. The real key is to ensure that

we clamp down on domestic abuse so that it does not have that long-term impact on the rest of someone's life.

Sally-Ann Hart: I thank my hon. Friend for his incredibly good intervention. I absolutely agree.

Before I go into detail on the Bill's aims, it may be helpful if I explain, for hon. Members who may not be aware of it, how the Child Maintenance Service operates. In an ideal world, the Child Maintenance Service would not be needed. It is certainly not a service that many people would want to use, but it is a safety net when parents who have separated cannot reach agreement on financial responsibilities, especially when one parent is deliberately trying to evade paying their share. It goes without saying that even when a relationship between parents breaks down, their financial responsibilities to their children continue at least until their children reach adulthood. It takes two to tango. Responsibility must be shared.

The purpose of the Child Maintenance Service is to facilitate the payment of child maintenance between separated parents who are unable to reach their own agreement following separation. It is a challenging job that is done in very difficult circumstances. Getting a maintenance arrangement in place for children improves their life and improves their chances in life. Ensuring that parents take responsibility for their children, including financial responsibility, means that they are giving them the best start in life.

Many hon. Members will have had some experience with the Child Maintenance Service. Some experiences will have been positive and some negative, but those who remember the Child Support Agency will know how much work has been done over the past few years to improve the system. I am sure all hon. Members will acknowledge that the Child Maintenance Service performs well—much better than previous child maintenance systems. Improvements include bolstering enforcement powers to tackle parents who refuse to pay what they owe, and moving more of the service online. Passports can be removed if a paying parent will not pay up, for example, and eight out of 10 new claims are now made online.

The Child Maintenance Service manages child maintenance cases through one of two service types: direct pay, and collect and pay. With direct pay, the Child Maintenance Service provides a calculation and a payment schedule, but payments are arranged privately between the two parents. With collect and pay, the Child Maintenance Service calculates how much maintenance should be paid, collects the money from the paying parent and pays it to the receiving parent. Under current legislation, direct pay is the default option unless the paying parent agrees to use collect and pay or demonstrates an unwillingness to pay their liability. The Bill aims to extend the collect and pay service to victims of domestic abuse, regardless of the payment history.

I know that the Child Maintenance Service already has safeguards in place for victims of domestic abuse. For example, it ensures that there is no unwanted contact between parents and provides information on how parents can set up a bank account with a centralised sort code so that they cannot be traced. I look forward to reading the independent review of domestic abuse support in the Child Maintenance Service, which was completed earlier this year and which I hope will be published as

[Sally-Ann Hart]

soon as possible. I am sure that we can all acknowledge that any situation where former partners have to co-operate is always going to be difficult for some people. That is particularly the case where there has been domestic abuse in the relationship.

These proposals are about giving victims of domestic abuse the choice to use collect and pay, so that they can decide what is best for their personal circumstances. Thus they can avoid entirely any need to transact with the other parent where that is appropriate, which will help them to feel as safe as possible using the Child Maintenance Service, particularly if the relationship with their former partner was abusive. That will protect them from ongoing coercion and abuse in their financial arrangements.

Andy Carter (Warrington South) (Con): My hon. Friend is making a powerful speech. Can she just set out how the system will work? She mentions that she was a magistrate, and she knows that I also carry out that function. Would it be that, at the conclusion of a domestic abuse trial or sentencing, there would be a court order in place to ensure that the payments were made, or would it be some other way?

Sally-Ann Hart: This Bill represents the change to primary legislation, and I understand that there will be secondary legislation on how the system will work in practice, including what evidence of domestic abuse will be required and whether there will be a court order or some other mechanism, such as a finding in a fact-finding hearing. That will become apparent in due course through secondary legislation.

The Bill will amend primary legislation to allow victims of domestic to use the collect and pay service without the consent of the other parent where there is evidence of domestic abuse against the requesting parent—it could be against the paying or receiving parent—or even abuse against children in their household by the other parent involved in the case. As hon. Friends may be aware, there are collection charges for the use of the collect and pay service of 20%, on top of the maintenance liability for the paying parent and 4% of the maintenance received for the receiving parent. While the Minister is clear that charges are the right approach for current users of this service, I am grateful to him for indicating that he is willing to consider whether an exemption may be appropriate in these cases.

I want to thank the Minister and Department for Work and Pensions officials for all their help with the Bill, as well as all hon. Members in the Chamber for being here to debate it; I very much hope it will receive their support today.

1.12 pm

Selaine Saxby (North Devon) (Con): I congratulate my hon. Friend the Member for Hastings and Rye (Sally-Ann Hart) and thank her for bringing forward such an important piece of legislation. As she rightly said, some of the most harrowing casework we deal with is often in this area.

North Devon Against Domestic Abuse reports that one in five women and one in seven men have reported experiencing economic abuse as part of a relationship. That can lead to severe financial hardship, debt and

emotional distress. The charity offers advice and support to victims of domestic abuse across North Devon as they rebuild their lives, and helps them to build financial resilience and learn money management skills.

Economic abuse is when perpetrators seek to reinforce or create economic dependency and instability, limiting victims' choices and their ability to access safety. It does not require physical proximity, so it can continue after separation. Economic abuse was defined in the landmark Domestic Abuse Act 2021 and can include taking control of family finances and not keeping partners aware of bills or debts, refusing to contribute or taking victims' contributions beyond a fair balance, and forbidding the claiming of universal credit or benefits, or insisting they are put into an account that victims do not have access to, to name but a few.

Those actions can all leave lasting marks on victims who are trying to rebuild their lives and their families' lives. Pushing them into a situation where they are financially exposed to their abuser can impact their ability to build a healthy life. It is also a continuation of abuse, using children as a tool to cause distress. Testimony shows that the legacy of that abuse can lead to some victims' not pursuing the legal entitlements of their children. One said, "I haven't arranged any child maintenance because I don't want to have any aggravation from him."

Dr Evans: My hon. Friend is making a fantastic start to her speech. That is exactly why we need the Bill: it circumvents that and protects victims of confirmed domestic violence, so they do not have to go through that heartache and stress, and do not have to front up against difficult perpetrators of domestic violence. It makes sure that there is stability and safety for them and the family that they are now supporting.

Selaine Saxby: I agree with my hon. Friend; what we hear is really harrowing. The next testimony says, "The Child Maintenance Service is his last avenue of financial control, so he uses this wherever possible."

I also sit on the Work and Pensions Committee, which is currently hearing evidence on this issue. One person said, "In my case, my ex-partner declared an income of less than £8,000 per annum, yet sent my children postcards from all his holidays—skiing in France and Italy, two three-week trips across the whole of the USA, spa weekends and city breaks. Then they had postcards of their father's new cars: a McLaren and a Bentley. He moved into a three-bedroom house in a desirable area of Cheshire. How on earth is that possible for someone who earns less than £8,000 a year? Meanwhile, I was struggling to pay my utility bills, let alone their after-school clubs and school trips. I am left wondering why none of the evidence was taken into consideration by the CMS." Some joined-up thinking and common sense is needed. Even when the other parent provides ample evidence that income is being under-reported, the paying parent is simply taken at their word.

We often hear about women experiencing that, but the Select Committee has heard equally harrowing evidence from gentlemen. One said:

"I have 3 children from my previous relationship. Despite the narrative often spun, I am not a dead beat dad, and not all mothers are saints deserving of children. I am a loving father who is paying the consequences of a malicious partner who is using a

government tool as part of her domestic violence campaign. During this relationship I was subject to physical, psychological and financial damage... Since I fled, the physical aspect has ceased. Yet abuse at the hands of my ex-wife continues. I don't report this flippantly. However, the vehicle for her abuse is the Child Maintenance Service, who she uses to continue to financially and psychologically control me from afar, while also denying me access to my children. I'm exhausted by the situation, and with the current cost of living crisis and constant squeeze on my finances, I can honestly say that if I commit suicide, it will be as a direct result of my ex-wife's abuse in combination with the Child Maintenance Service."

Although non-payment is not a new tool, it has been exacerbated during covid-19, as the non-resident parent has had increased opportunities to abuse the system, and there have been lower risks associated with that. My hon. Friend the Member for Hastings and Rye has done great work to bring the Bill before us today, and I am delighted to support it, because it is an important step to alleviate the burden on families who have already experienced trauma, and puts the onus on the perpetrator, rather than the victims.

1.17 pm

Anna Firth (Southend West) (Con): I congratulate my hon. Friend the Member for Hastings and Rye (Sally-Ann Hart) on bringing forward this incredibly important Bill. I also welcome the new Minister to his place—I am sure we can expect great things over the coming months. My hon. Friend the Member for Hastings and Rye is a real champion for women and children in this place. As a fellow lawyer, I know the importance that she places on ensuring that we have good laws that are implemented properly to protect children and mothers in particular.

This is a vital Bill. The breakdown of any relationship is obviously sad, but especially when children are involved. It is a fundamental part of our system, however, that no mother should be left to support her children alone following the breakdown of a relationship. That has been true in our country for centuries, but the Child Maintenance Service, which was launched in 2012, was supposed to enforce that basic right.

To put the Bill in context, there are an astonishing 2.3 million separated families in the UK, and 3.6 million children are part of those families. Of those 3.6 million children, almost 850,000—not far short of 1 million—are covered by Child Maintenance Service arrangements. It is vital that those arrangements are fit for purpose and that children are not left high and dry. Sadly, that system is not always fit for purpose, which is why we need this vital Bill.

Mr Louie French (Old Bexley and Sidcup) (Con): My hon. Friend is making an excellent speech. I wholeheartedly support the Bill. Many of my constituents have been in touch to highlight that, when they have requested to move to the collect and pay service, they have been rejected due to arrears from the paying parent. Does she agree that ensuring that arrears are not a barrier to entry to the collect and pay service is vital for the victims of domestic abuse?

Anna Firth: Yes, this is another way in which the father, or the estranged parent, uses money as a form of control. Dealing with the arrears part of the system is vital.

The other week, my brilliant caseworker, Charles, brought to my attention one case that, frankly, appalled me, but these are common cases; we all receive such cases in our inboxes every week. The marriage of one of my constituents broke down in 2018, and she became the primary carer for the three sons. The Child Maintenance Service decided on an amount to be paid by the father, but the father had not disclosed a large personal income. My constituent appealed against this and it took two-and-a-half years before the Child Maintenance Service agreed with her that the father was underpaying. It then set a new repayment schedule and allowed the father to pay off that debt in small instalments each month, thus penalising my constituent and her children through absolutely no fault of their own. As I understand it, he did not start paying off the debt; it is still accruing and the Child Maintenance Service is doing very little to help.

My constituent has had to fight every step of the way to ensure that her children's father actually pays what he needs to, and we have still not reached a conclusion. Quite frankly, this sort of behaviour is abuse. It is using money as a weapon. It is a form of domestic abuse and no one should have to go through it. The Child Maintenance Service must be informed to ensure that mothers are not left out of pocket by their ex-partners. This Bill is a vital way of advancing us on that journey.

The Bill, so ably spearheaded by my hon. Friend, will amend primary legislation to allow victims of domestic abuse to use the collect and pay service where there is evidence of domestic abuse against the requesting parent—this could be the paying or the receiving parent—or even children in their household by the other parent involved in the case.

As other hon. Friends have mentioned, there are collection charges for the use of the collect and pay service. I do not complain about the 20% on top of the maintenance liability for the paying parent, but the 4% charge that the receiving parent must pay is wrong and should be amended. I understand that, although the Minister is clear that charges are the right approach for current users of the service, he is willing to consider whether an exemption may be appropriate in these cases. I look forward to hearing him clarify that point in his summing up.

Dr Luke Evans: Clearly, the system has to be funded, but the right level of evidence needs to be put in for those who are convicted of domestic abuse. Does my hon. Friend have an idea about how the Government might be able to work that through? It could be that the victim of those who are fully convicted does not have to pay those charges. That might be a nice solution and would allow the removal of fees for those victims to go ahead.

Anna Firth: My hon. Friend makes an important point. Obviously, evidence has to underpin this service to make it fair, but in instances where there is clear evidence, which can be assessed, it seems only right that the parent can use the collect and pay service without being financially penalised in any way.

We would all agree that domestic abuse, including financial abuse, is horrific and that no one should have to endure it. As a country, we want to support victims of domestic abuse. None of our state systems should be

[Anna Firth]

allowed to make the survivors suffer more than they already have. The Bill will improve the Government's offer to victims of domestic abuse in how they receive child maintenance payments. We must not forget that these payments often form a vital part of the recipient's overall income and finances, especially those who have endured domestic abuse.

I am pleased to be here to support the Bill, and I am grateful to my hon. Friend the Member for Hastings and Rye for giving us an important opportunity and for spearheading this vital measure to stand up for women and children.

1.24 pm

Peter Gibson (Darlington) (Con): It is a privilege to be called to speak for the third time today and to be able to support my hon. Friend the Member for Hastings and Rye (Sally-Ann Hart), who is also my very good friend, on the Second Reading of her hugely important Bill. As I said earlier, I know only too well the privilege of doing well in the ballot for private Members' Bills, but I also know the difficulties of guiding a piece of legislation through the House. As my Bill progressed through the House I was honoured to have the support of colleagues across the House, and I am delighted to support my hon. Friend and her Bill.

Violence against women and girls is rightly a key focus for the Government and for everyone in the House. That was detailed in the recently published "Tackling violence against women and girls" strategy, which builds on a long heritage of legislation introduced by Conservative Governments, including the Children Act 1989, the Protection from Harassment Act 1997, the Protection of Freedoms Act 2012, the Modern Slavery Act 2015 and the Domestic Abuse Act 2021, all of which contained steps and measures to protect people.

Dr Luke Evans: It is all very well having legislation in place, but it is really important that we have the financial backing to enforce it. Does my hon. Friend welcome the £230 million from the Conservative Government to do exactly that?

Peter Gibson: I am grateful to my hon. Friend for making that important point. He has made it clearly and it is on the record, and I welcome that investment.

As I have served on the Women and Equalities Committee and the Domestic Abuse Bill Committee, and I engage regularly with my local police, domestic abuse refuge and the night-time economy—including my shift last week at the newly established Number Forty night-time hub in Darlington—I am only too aware of the need for society to do more to protect people. I am therefore grateful to all hon. Members who are taking part in today's debate.

Domestic abuse is a crime. It is perpetrated in the privacy of a place where everyone should feel safe by those who exploit and abuse their position. It is right that we do all that we can to restore a position of trust and safety for victims, and protect and support children who are witnesses to domestic abuse and punish and rehabilitate the perpetrators. Domestic violence as a crime has both an instant impact and a long tail of

consequences, putting pressure on our charities, local authorities, schools and prisons. At the root of this crime is the perpetrator, wreaking havoc on a partner and often children too, creating huge costs to our society both in money and in impact.

Antony Higginbotham (Burnley) (Con): An incredibly sad part of the covid-19 pandemic was the increase in domestic abuse. I still meet my local police force, but during the pandemic when I met it and discussed the issues that it was dealing with, domestic abuse was always high up the list. Will my hon. Friend join me in thanking the local organisations that we all have in our constituencies, such as Safenet and Lancashire Women in my constituency? We could all probably name-check organisations that do a great deal of work in this area.

Peter Gibson: My hon. Friend makes an incredibly important point about the work that was done in the covid lockdowns. I, too, regularly met my local police force to discuss that issue, and it is right that we do all that we can in Parliament to highlight that.

I want to pay tribute to all those charities and community groups that work to support victims of domestic abuse—for example, Family Help, an independent refuge charity in my Darlington constituency that has done incredible work over the past 45 years. I wish it well for its fund-raising event in Darlington tomorrow evening. I firmly welcome the fact that the Domestic Abuse Act 2021, for the first time, established a cross-Government statutory definition of domestic abuse, to ensure that domestic abuse is properly understood, considered unacceptable and actively challenged across statutory agencies and in public attitudes. Domestic abuse is abhorrent, but regrettably I doubt that there is anyone across the House who has not heard a constituent's story about the abuse that they have suffered. Indeed, since being elected, I have met numerous victims of domestic abuse, each with a moving personal story of their ordeal. All too often, the abuse continues after a relationship ends—something that this Bill seeks to tackle.

The Bill is hugely important, as it will take further steps to protect people who use the Child Maintenance Service and will complement the work that we have already done. I welcome the changes that it would make to the system of payments. At this juncture, I would like to ask the Minister to address in his summing up a point not specifically covered in the Bill—namely, how the banking system is abused by perpetrators as a form of abusing victims. It will be interesting to hear what discussions the Government are having with the banking sector to tackle that particular issue.

I welcome the fact that the Child Maintenance Service has substantially strengthened its procedures and processes to support customers who are experiencing domestic abuse. In particular, it has introduced a programme of domestic abuse training that has been designed for and delivered to all CMS caseworkers. This training takes the form of recognising that domestic abuse takes different forms, including physical, psychological, emotional and financial abuse.

Anna Firth: Does my hon. Friend agree that lack of money and fear of living in poverty due to lack of support prevents a lot of women from leaving a domestic

abuse setting in the first place, and that the measure is, therefore, absolutely essential to giving women the freedom to be able to make that first step?

Peter Gibson: I am grateful to my hon. Friend for that intervention. It is clear to all of us with any knowledge of domestic abuse that perpetrators use the tool of coercion and financial control in all sorts of forms against victims.

In autumn 2021, the Government commissioned an independent review of ways in which the child maintenance system supports survivors of domestic abuse. The review was completed in April 2022 and its findings are now being considered. Could the Minister provide a timeframe for when we might be able to expect the Government's response?

Child maintenance payments are key to reducing the net number of children living in low-income households, through both family based arrangements and Child Maintenance Service arrangements. It is estimated, as we have heard, that there are 2.3 million separated families in Great Britain, comprising 3.6 million children. Some 60% of those separated families have a child maintenance arrangement; two thirds are non-statutory and one third statutory. Some 846,300 children are covered by Child Maintenance Service arrangements, with 526,000 of them covered through direct pay arrangements, and 298,000 through the collect and pay service. The number of children covered by Child Maintenance Service arrangements also increased by 26,300 between March and June 2022.

The Child Maintenance Service manages cases through two service types: direct pay and collect and pay. In direct pay cases, the Child Maintenance Service calculates how much maintenance should be paid, and the paying parent pays the maintenance to the receiving parent directly. For collect and pay, the Child Maintenance Service calculates how much maintenance should be paid, collects the money from the paying parent and pays it to the receiving parent. There are collection charges for the use of the collect and pay service—20% on top of the liability for the paying parent, and 4% of the maintenance received for the receiving parent. Under current legislation, direct pay is the default option unless both parents request collect and pay or the receiving parent requests collect and pay and the paying parent is deemed unlikely to pay by demonstrating an unwillingness to pay their liability. This is so that paying parents have the option to not incur additional charges should they pay in full and on time. This applies to all cases irrespective of any other personal circumstances between parents, including domestic abuse. By requiring receiving parents who are the victims of domestic abuse to use the direct pay service, the current system in place for child maintenance forces them to have continued contact with their abuser, increasing the harm and risk posed to victims of domestic abuse.

Domestic abuse services have reported examples where Child Maintenance Service staff have asked a victim or survivor of domestic abuse to try to put direct pay arrangements in place first, before asking for intervention by the CMS. Refuge has also reported that CMS staff have asked victims or survivors of domestic abuse to try to find out details of their abuser's earnings and workplace themselves, which carries a significant risk by forcing the victim to have contact with their abuser.

It is absolutely wrong that under current legislation a paying parent who has been abusive towards the other parent can refuse the collect and pay option, meaning direct pay must be used. Direct pay gives the abusive parent access to the abusee's bank account details, allowing abusers the opportunity to use the banking system to continue their abuse through harassment using payment.

Chris Clarkson (Heywood and Middleton) (Con): My hon. Friend is making an extremely powerful speech.

Mr Deputy Speaker (Mr Nigel Evans): Order. You do not have to look at me if it is too painful, but please at least face the microphones.

Chris Clarkson: Mr Deputy Speaker, you just can't have too much of a good thing.

My hon. Friend is making a powerful and relevant speech. On the payment arrangements for collect and pay, the payer has to pay 20% but the recipient has to pay 4%. Does my hon. Friend agree that the arrangement should perhaps be looked at more thoroughly, so if somebody is forced to use this arrangement because of the bad behaviour of the other party, they should not be liable for that extra 4%?

Peter Gibson: My hon. Friend makes an important point, and I am sure the Minister will, having heard him, address it in summing up.

To return to the use of the banking system as a means of perpetrating abuse, I have worked with a number of banks on this and know that many are working on ways to stamp it out. Abusers can also use non-payment and deliberate payment on irregular days to interfere with means-tested benefit entitlements. No victim or survivor of domestic abuse should ever be told or forced to contact their abuser; it is unquestionably a moral wrong.

I understand that these issues have been a source of controversy since the inception of the current CMS and the introduction of the direct pay service and charging, and the Bill will bring a long overdue and welcome change to the system. I am also glad that the Bill will extend not only to England but to Scotland and Wales, providing consistent protections to victims of domestic abuse across Britain. It is regrettable, however, that the current suspension of the Northern Ireland Assembly means it has not been possible to extend the protections to the entirety of the United Kingdom.

Dr Luke Evans: I want to stress the importance of cross-border unity across the United Kingdom on this issue, so perpetrators cannot hide in one jurisdiction from another.

Peter Gibson: I agree wholeheartedly with my hon. Friend.

My hon. Friend the Member for Hastings and Rye has introduced a highly commendable Bill, putting further steps in place to right a wrong that has existed in CMS payments since inception, and providing a further level of protection to some of the most vulnerable in our society by preventing abusers from further torturing those who have escaped from a cycle of abuse through the CMS.

[Peter Gibson]

This Bill clearly commands cross-party support and I offer my sincere thanks to my hon. Friend for bringing it forward. I wish her well as she continues to guide it through its legislative process and hope to see it pass all its parliamentary stages and make its way on to the statute book.

Mr Deputy Speaker: I call the shadow Minister.

1.39 pm

Matt Rodda (Reading East) (Lab): I am pleased to respond on behalf of the Opposition to this important debate. We support this important Bill and see it as a welcome step forward. Domestic abuse has an appalling impact on women and families. As the shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), said,

“everyone has the right to live in freedom from fear.”

This Bill will make some welcome changes to the law to protect parents, children and wider families who are the victims of domestic abuse. I pay tribute to the hon. Member for Hastings and Rye (Sally-Ann Hart) for her work on this important Bill and I thank hon. Members from across the House for their support today. I thank all those who have campaigned on this important issue and in particular Refuge, Gingerbread and, in my own area, Berkshire Women’s Aid.

As I mentioned before, we support this important piece of legislation. However, I hope the Government will clarify some important points to reassure survivors and consider doing more to help former partners, children and wider families in a number of ways that are related to the Bill. Turning to points of clarification, I hope the Minister will explain what evidence will be required to allow the Secretary of State to collect child maintenance payments in the way that we heard earlier. We have been told that the evidence will be set out in secondary legislation, and it is important to remember that the effectiveness of the Bill hinges on the evidence requirements in these regulations. It would be helpful if the Minister reassured the House about the nature of the evidence that will be needed.

In addition to providing further clarification, I hope the Government will consider introducing measures that offer further help and support to the survivors of domestic abuse. For example, will the Minister consider reviewing the fees associated with using the collect and pay service? That was a point raised by a number of hon. Members. Carrying out a review would allow the Government to make an informed decision about whether to scrap some of the fees for domestic abuse survivors.

As we have heard, it is still far too easy for perpetrators not to pay child maintenance and withholding it is a common form of post-separation abuse. Could the Minister tell the House when the DWP will publish the findings of the independent review of the Child Maintenance Service’s domestic abuse operational policies and procedures? I remind him, as we heard from a Government Member, that this investigation was due to finish in April and yet, six months later, we have still not heard from the Department. On the CMS’s treatment of survivors of domestic abuse, concerns have been

raised that, sadly, there have been times when CMS staff could have offered a better service to survivors. I hope the Minister will be able to update the House on plans to improve staff training.

Finally, an important point raised by social workers who work with domestic abuse survivors is that the cost of living crisis has a far worse impact on victims of domestic abuse and, in some cases, it may even create another significant obstacle to finding help. I encourage the Government to consider taking additional measures to understand how they can help survivors to manage in the cost of living crisis. I hope the Minister has listened to these points and will consider them carefully. If he is not able to respond in full from the Dispatch Box, I ask him to write to me and the shadow victims Minister to update us on the Government’s response to these important issues. Time is pressing, so I will conclude by emphasising that this important Bill could make a significant difference to a group of women and children who have suffered appalling domestic abuse, and I urge the Minister to consider the points I have raised.

Mr Deputy Speaker (Mr Nigel Evans): On his reincarnation, if that is the right word, I call Tom Pursglove.

1.44 pm

The Minister of State, Department for Work and Pensions (Tom Pursglove): Thank you, Mr Deputy Speaker. It is an honour to speak in this important debate and to assume my new ministerial responsibilities that so directly relate to bettering people’s lives across our country. I thank my hon. Friend the Member for Hastings and Rye (Sally-Ann Hart) for raising this important issue and for introducing the Bill.

For context, as a former Victims Minister and a former Policing Minister with responsibility for domestic abuse and VAWG, I believe that the Bill is a welcome step forward that will help victims of horrendous domestic abuse. I am pleased to confirm, in that spirit, that the Government intend to support this Bill.

The Child Maintenance Service provides an important service helping separated parents who are unable to make a family-based arrangement to support their children. Child maintenance payments provide vital support to single-parent families, and the CMS provides support to many of the poorest single-parent families. We know that, on average, approximately 140,000 fewer children are growing up in poverty as a result of child maintenance payments. This includes payments through both family-based arrangements and arrangements made through the CMS. As my hon. Friend said, the CMS has collected and arranged more than £1 billion-worth of child maintenance payments each year since 2019.¹

I will now say a few things about how domestic abuse victims are dealt with in the service. The CMS is committed to ensuring that all parents, no matter what their circumstances, feel safe when applying for and using the service. We have already considered the issue of domestic abuse and how it is best handled in the CMS, and we have learned from cases where domestic abuse has been a factor. To answer the shadow Minister’s point, training in this area has been considerably improved in recent times to ensure greater awareness.

1.[Official Report, 25 November 2022, Vol. 723, c. 5MC.]

Dr Luke Evans: Training is indeed very important. We talk a lot about the victims of domestic abuse, but the CMS might be a place where we can pick up on domestic violence and domestic abuse on the first presentation. Is there training to make sure we pick up those cases when they come forward?

Tom Pursglove: My hon. Friend asks a very good question, and I am keen to obtain an answer for him on that point. He will appreciate that I am only a few hours into the role and this is quite an involved question but, of course, he raises an important point. I will make sure he receives a full response following this debate.

The CMS also ensures that there is no unwanted contact between parents, and it provides information on how parents can set up a bank account with a centralised sort code so they cannot be traced. The application fee is also waived for victims of domestic abuse, and CMS caseworkers can provide information to our customers on a number of specialist domestic abuse organisations.

In recent years, the CMS has strengthened its domestic abuse training to ensure that caseworkers are well equipped to support parents in vulnerable situations. However, the domestic abuse landscape is always evolving and we are, of course, ready to listen to feedback from customers, customer representatives and stakeholders on this sensitive area. We already engage regularly at ministerial and official level with MPs, interested parties and the domestic abuse commissioner, and we will continue to do so.

In the autumn of 2021, the Department commissioned an independent review of the way in which the CMS supports survivors of domestic abuse. The review was conducted by Dr Samantha Callan, who is a leading expert on domestic abuse. The review has now completed and is with the Government for consideration. We welcome the opportunity to learn lessons and take whatever practical steps we can to help separated parents who have experienced abuse to set up safe maintenance arrangements.

My hon. Friends have spoken about the importance of this Bill, but I would like to explain why the Government support it and see the need for it to be enacted now. The CMS manages cases through one of two service types: direct pay or collect and pay. For direct pay, the CMS provides the calculation and a payment schedule. The payments are arranged privately between the two parents. Just to be clear, if necessary this can be done without the parents having any direct communication. For collect and pay, the CMS calculates how much maintenance should be paid, collects the money from the paying parent and pays it to the receiving parent. Under the current legislation, as my hon. Friend the Member for Hastings and Rye said, direct pay is the default option unless the paying parent agrees to use collect and pay or demonstrates an unwillingness to pay their liability. With collect and pay, paying parents pay an extra 20% on top of their liability, so cases are generally moved to collect and pay only when the paying parent is non-compliant.

There are some limited circumstances in which requiring a receiving parent to continue to manage relations directly with the other customer in their case seems inappropriate. I know that the CMS has experience of such circumstances and is keen to give customers the best service it can, but is bound by the current rules. The

Bill will directly address the situation. It will allow a CMS case to be placed with the collect and pay service when either parent applies for it on the grounds of domestic abuse and when there is evidence that that is the right thing to do in their case.

Normally, it is only the receiving parent who can request a move of their case to collect and pay, on the basis that they are not receiving their payments. However, we recognise the importance of supporting any parent who is a victim of domestic abuse. Whatever their role in the case, either a receiving or a paying parent will therefore be able to request collect and pay.

To enable that, the Bill will provide the Secretary of State with the power to make secondary legislation setting out the details of circumstances in which the power can be used. That legislation will deal with the types of domestic abuse evidence that the CMS will accept in determining whether those circumstances apply in a particular case. The House will have the opportunity, which I think is welcome, to scrutinise that secondary legislation. The details need to be in secondary legislation because the evidence requirements may be complex and are likely to change over time as the Government do further work—not only in relation to child maintenance, but right across Government—to ensure we do all we can to minimise the incidence of domestic abuse. The affirmative procedure will be followed so that hon. Members have the opportunity to scrutinise the legislation in this place.

We will, of course, consult widely when formulating our proposals. We will aim to produce requirements that are sensitive to the needs of domestic abuse victims and that have been carefully evaluated and tested before being brought forward.

Given the importance of domestic abuse issues to hon. Members throughout the United Kingdom, I should say a few words about our work with colleagues in the devolved Administrations. I will not mention Northern Ireland, where child maintenance is a devolved issue, except to say that we will be working with Northern Ireland colleagues to ensure that domestic abuse victims are protected throughout the whole United Kingdom. However, I will say a few words about how we will implement the Bill in Scotland, as I know that colleagues who represent Scottish constituencies are keen to be reassured that the Government are considering child maintenance customers across Great Britain in the context of the Bill.

The Bill uses the definition of domestic abuse set out in the Domestic Abuse Act 2021. That Act does not extend to Scotland, where the definition generally used is set out in separate, devolved Scottish legislation. However, for ease of implementation in an area as complex as child maintenance, in which cases frequently fall within more than one jurisdiction in the United Kingdom, the Bill allows for the Act's definition to apply throughout Great Britain for the purposes of the Bill.

The collection of child maintenance is governed by the same statutory provisions in England and Wales and in Scotland. We are keen to avoid the administrative complexity that could result from different definitions applying in each jurisdiction, but I acknowledge that the legislation will need to sit comfortably alongside devolved legislation dealing with similar issues. We will

[Tom Pursglove]

therefore work with legal colleagues and the Scottish Government to ensure that the policy aim is effectively delivered in Scotland.

Understandably, various colleagues—particularly my hon. Friends the Members for Southend West (Anna Firth), for Hastings and Rye, for Bosworth (Dr Evans) and for Heywood and Middleton (Chris Clarkson)—have raised the issue of charging. Collection charges are applied to all CMS collect and pay cases. The charges are 20% on top of the liability for the paying parent, and 4% of the maintenance received by the receiving parent. Running the collect and pay service incurs costs for the taxpayer. It is therefore reasonable for most parents to contribute towards running an expensive service. However, we recognise that many of the parents whom the Bill aims to support could be among the most vulnerable.

Peter Gibson: May I press on the Minister a point that I raised in my speech? I appreciate that I may be catching him off guard today, but I really think that the Government need to take a strong look at the use of the banking system by others as a means of perpetrating abuse; to work with payment reference services and with the industry as a whole; and to talk to banks to ensure that they do not become a means of facilitating such abuse. If the Minister does not have the knowledge at hand, I would be grateful if he wrote to me on that point.

Tom Pursglove: I am grateful to my hon. Friend for raising this point about the interaction with the banking system. What I do know is that the CMS ensures that there is no unwanted contact between parents and provides advice on how to set up a centralised sort code for the parent's bank account so that their location cannot be traced. The service also signposts to charities and support lines that victims can contact for support.

To go back to this point about collection charges, it is important to say that they do not form part of the primary legislation and are set out in secondary legislation. Consideration is being given to exempting victims of domestic abuse in these cases from collection charges. I hope that that gives some reassurance to colleagues from across the House about the fact that that active policy consideration is taking place.

Finally, I wish to touch on the important point from my hon. Friend the Member for Bosworth about detecting abuse. I am happy to provide further information in writing, in the way that I suggested I would earlier. However, I am able to advise now that the CMS has substantially strengthened its procedures and processes to support customers who are experiencing domestic abuse. In particular, a programme of domestic abuse training has been designed and is delivered to all CMS caseworkers. The training takes the form of recognising that domestic abuse can take various forms, including physical, psychological, emotional and financial abuse.

Appropriate signposting to domestic abuse support groups takes place and advice is given on contacting the police if necessary. If customers do not feel able to do that, this is about asking whether they are content for the CMS to call the police on their behalf.

The CMS also has a complex needs toolkit for its caseworkers, which includes clear steps to follow in order to support customers who are experiencing abuse. The toolkit is regularly reviewed and strengthened on the basis of customer insight, which is very welcome, because, for the very reasons that he identified, these are important and serious issues. Where domestic abuse happens, we want to see it dealt with swiftly and responsibly and we want to ensure that people are able to access the care and help they need.

In conclusion, this Bill is of great importance to victims of domestic abuse and to colleagues from across the House, as reflected in the debate. They have experience of using the CMS when following up on what has been in their postbag and what they have encountered in their constituency work. I am pleased that the Bill has been introduced and I wish it a speedy passage through this House.

1.57 pm

Sally-Ann Hart: With the leave of the House, I wish to thank all hon. Members for their contributions today. I particularly thank my hon. Friend the Member for North Devon (Selaine Saxby) for highlighting the economic abuse in her constituency, which is suffered by men, women and children; my hon. Friend the Member for Southend West (Anna Firth), who highlights the importance of good law to protect women and children; and my hon. Friend the Member for Darlington (Peter Gibson), who highlights the work of Conservative Governments to address violence against women and girls, as well as the role of banks in helping to prevent or facilitate the continuation of economic abuse. I also wish to thank the shadow Minister, the hon. Member for Reading East (Matt Rodda), for his positive comments and support for the Bill, and the Minister and the Department for Work and Pensions officials for their advice and support.

There are areas to consider further, including the secondary legislation as regards evidence of abuse and the question of fees. I am also looking forward to the independent review, as discussed in the debate, being published as soon as possible. The Bill will strengthen the support that domestic abuse victims are offered when using the CMS by allowing them to decide what service type is best for their child maintenance case and their circumstances, and I hope that it will progress through the House with full support.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Mr Deputy Speaker (Mr Nigel Evans): Congratulations.

Countryside and Rights of Way Act 2000 (Amendment) Bill

Second Reading

1.59 pm

Caroline Lucas (Brighton, Pavilion) (Green): I beg to move, That the Bill be now read a Second time.

It is a pleasure to follow the hon. Member for Hastings and Rye (Sally-Ann Hart) and the debate on her important Bill.

It is a real delight to open the debate on this Bill, otherwise known as the right to roam Bill. It has backing from all sides of the House, including from Government Members, and has the potential to transform our relationship with nature. It is particularly special to be joined today by members of the Right to Roam campaign, including the author Guy Shrubsole, who are watching from the Gallery and who have developed that vibrant campaign from the ground up, galvanising the public's shared passion for nature and their desire to be immersed in it. I also want to acknowledge those giants of the environment movement, such as Marion Shoard, who have done so much to build the campaign, alongside organisations such as the Ramblers and the Open Spaces Society. The Bill builds on a lot of work that has already gone ahead.

A Bill of this kind could not be more urgently needed. We are in the midst of an ecological emergency, with the latest Living Planet report published earlier this month revealing that globally wildlife populations have plummeted by almost 70% in the past 50 years. Closer to home, 15% of the UK's species are now threatened with extinction, with a horrifying decline in our biodiversity which has left our dawn chorus quieter and our fields still. Indeed, Britain has one of the worst rankings in the world for biodiversity, placing it in the bottom 10%, and it also ranks lowest in Europe for nature connectedness.

I would argue that those two facts are related. The less relationship we have with nature, the less our ability to fight for it and protect it. We are more alienated from nature than we ever have been, all too often trapped in our individual concrete or brick boxes, cut off from the beauty that these islands hold: our amazing woodlands, our rivers and, of course, our beautiful wildflower meadows. That crisis of connection is one in which half of children surveyed just a few years ago could not identify simple species such as brambles, bluebells or stinging nettles. That is not just a personal tragedy, but a profound concern for the future of our planet. In the words of scientist Robert Michael Pyle:

"What is the extinction of the condor to a child who has never known the wren?"

In other words, that intimate connection with nature is a prerequisite for learning better to love, protect and restore it.

If the covid-19 pandemic taught us anything, it is that that connection is also critical for our collective health and wellbeing, calming our minds, bringing solace to our hearts and re-energising our souls. A survey by Natural England in May 2020 found that 90% of people agreed that natural spaces are good for mental health and wellbeing. Many felt that access to nature was even more important now than before the pandemic, when restrictions eased and our use of parks and public green

spaces soared. Indeed, that sense of being immersed in nature, that sense that it is essential to our wellbeing, is something that campaigners have known all along.

Earlier this year marked the 90th anniversary of the Kinder Scout trespass, an action that united the campaign for access to the countryside and eventually contributed to the establishment of our treasured national parks under the National Parks and Access to the Countryside Act 1949. As Benny Rothman, one of the key organisers of that trespass, said during his trial at the Derby assizes:

"we ramblers, after a hard week's work, in smoky towns and cities, go out rambling for relaxation and fresh air. And we find the finest rambling country is closed to us."

Much has changed since then, but so many of us remain cut off from most of this green and pleasant land. The Government have often spoken of the importance of a greater public relationship with nature, most recently in the Environment Act 2021, but we have still not seen enough action to deliver it. For example, the powers in the Act to set public access targets are not currently being used. Back in 2019, the Government-commissioned Glover review urged Ministers to

"look seriously at whether the levels of open access we have in our most special places are adequate".

It argued that

"it feels wrong that many parts of our most beautiful places are off limits".

Three years later, there is still no response from the Government to that aspect of the Glover review. More recently, the Agnew review asked a similar question, but its results have not been published.

We need urgent action and that is what the Bill provides. The right to roam Bill builds on the success of our national parks and on the Countryside and Rights of Way Act 2000, which at the start of this millennium finally gave us a right to roam in certain areas over mountain, moor, heath and down, designating them as open access land. That landmark Act meant that, finally, ramblers could wander more freely without fear of trespassing, but it still gave legal access to only 8% of English land, much of it remote. As for rivers, just 3% are accessible in England and Wales, but only when that is provided for by voluntary agreements between landowners and, for example, kayakers or anglers—it can therefore be taken away again.

Access also remains vastly unequal across the country. The Campaign for National Parks estimates that while 60% of the Yorkshire dales is open access, the public have the right to roam across just 0.5% of the broads in Norfolk and Suffolk. Worse, people from ethnic minorities or with low incomes are much less likely to live near accessible green space. Just 39% of black people and people of colour live within a five-minute walk of green spaces, compared with 58% of white people. More than two fifths of people from ethnic minorities live in England's most green-space-deprived neighbourhoods, compared with just one in five white people. This week, the Prime Minister said on the steps of No. 10 Downing Street that he remained committed to levelling up. That is great news, and here is a tangible example of how to achieve it.

Let me now turn to the specifics. My Bill would amend the Countryside and Rights of Way Act to include more landscapes—more rivers, woods, grasslands

[Caroline Lucas]

and green belt—extending access from the 8% in England that I mentioned earlier to approximately 30% of English land, as well as permitting recreational activities such as swimming and camping. Many countries, including France, Finland and Hungary, already allow a general right of navigation on all rivers, and in America and Australia there is free access to all navigable rivers.

The Dartmoor National Park Authority has vowed to defend the right to camp in Dartmoor, which is one of the remaining places in England and Wales where camping is allowed. That right is currently under attack, but the authority has said it will try to defend it, because it believes, as I do, that it would be a profound tragedy if people were denied the joy of seeing the stars shine clearly in the night sky and the mist rise over the moor at dawn. The vast majority of wild campers leave without a trace, and this experience allows people to connect with nature in a way that would otherwise be off limits. Rather than curtailing this right, my Bill would enshrine it in primary legislation and extend it beyond this single national park, opening it up for more to enjoy.

I imagine that, in his response, the Minister may point to our wonderful network of footpaths, or indeed to the England coast path. I absolutely agree that those footpaths are wonderful and I celebrate the England coast path, but on their own they are not enough. Many communities in England are barely serviced by them, making them strangers in lands in which they may have lived all their lives. In the powerful words of the Right to Roam campaign:

“Why should our love of nature, our knowledge of our environment—and through it ourselves—be limited to thin strips of legitimacy...across a sea of wonder?”

As well as campaigning for the maintenance and extension of our precious footpaths, we need to make provision for real immersion in our wild spaces.

I should emphasise that my Bill is just a starting point, and that while it would increase public access to many more landscapes, others have argued for a more expansive approach. They include the naturalist Dave Bangs—local to me in Brighton—and the highly acclaimed author and conservationist Marion Shoard, who wrote about “A Right to Roam” in her landmark book of that same name more than 20 years ago. Indeed, they argue for a universal right to roam across these islands, with exclusions carved out, in opposition to the existing model of universal exclusion except where access is permitted. This is a much more fundamental right, and it follows the approach taken in Scotland, where the Land Reform (Scotland) Act 2003 enshrined the right of access to land and the countryside, provided that it was exercised responsibly.

These are important debates to be had, and I simply say that I hope this Bill is the beginning, not the end, of an important debate about how we reset our relationship with the land. What we need, I believe, is a serious and inclusive conversation about how land is used, who can access it, and how we balance access and conservation in a way that recognises our desire to care for the natural world.

Although my Bill is simple in its drafting, I would argue that its benefits would be far-reaching. First, in extending the right to roam to the rivers, woods and

green belt, it would provide access to nature on people’s doorsteps, with these landscapes found in almost every community. By broadening the definition of downland, it would put an end to the ludicrous situation in which walkers must trespass across fields to reach a patch of open access land, which is a consequence of much of our downland being ploughed up during the second world war.

Secondly, it comes with a multiplicity of wellbeing benefits. There is growing scientific evidence that immersion in nature is good for our mental health, reducing loneliness and isolation, easing stress, lifting our mood and improving confidence and self-esteem, in addition to the benefits to our physical health, where it has been found to reduce blood pressure and the risk of diabetes and heart disease. It has even been shown to boost our immune systems. It also makes economic sense. It has been estimated that the NHS could save around £2 billion every year if everyone had more access to good quality green space. That is presumably why the Agnew review on access to green space was commissioned not by the Department for Environment, Food and Rural Affairs, but by the Treasury.

Thirdly, I would argue that my Bill would be good for our environment itself and that society’s disconnection from nature is a key factor in the ecological crisis we face. Not only would the Bill help to tackle that disconnection, but it has been argued that greater public access would benefit nature itself by exposing the environmental destruction that has often been hidden away behind high walls and fences where it cannot be seen. It is no coincidence, for example, that the uptake in wild swimming has coincided with public outrage about the state of the UK’s rivers and seas, polluted by a toxic cocktail of chemicals and effluents.

I am conscious that the Bill has tapped into the fears of some stakeholders, notably within the farming community. I emphasise again that no one is advocating a right to roam freely over farmers’ fields where crops are growing, for example. In addressing concerns about the irresponsible behaviour of a tiny minority of the public, I point again to Scotland, which, following the introduction of the Land Reform (Scotland) Act 2003, did not experience the negative consequences that some had warned about. On the contrary, in Scotland the Act helped to revive tourism in rural areas following the foot and mouth outbreak and to educate the public that the countryside was a living place of work where people strove to earn a livelihood.

The right to roam is thus not some futuristic, unknown policy idea. We have a blueprint for how it could work from our very close neighbour across the border. Crucially, the success of establishing the right of responsible access, as it is called, comes in no small part from Scotland’s outdoor access code, which makes it clear that visitors must respect the interests of others, care for the environment and take responsibility for their own actions.

I urge the Government to increase investment in promoting the recently revised countryside code and to do far more to publicise it. It should be taught in every school, so that children grow up with a clear understanding of their responsibilities in our countryside. Simply shutting people out is not a sustainable solution. To borrow some words from author and campaigner Nick Hayes:

“It’s not the wild swimmer who poisons our rivers, nor the rambler who burns the moorland. When they took away our right to access the land, they took away our ability to protect it.”

I welcome the Right to Roam campaign’s vision of a countryside in which people leave a positive trace rather than simply no trace. In other words, when they go out rambling, they collect litter if they find it on their way, they make sure that invasive species are removed, and their impact and legacy are positive. The public can become guardians of the natural world. They can become the ears and eyes of the countryside. But they cannot do it without access, and they will not do it without the love born of familiarity. It is no coincidence that the most vigorous recent campaigns in defence of rivers have come precisely in places where, as in the case of the River Wye, there is a rare statutory right to access them.

To conclude, I urge the Government to look seriously at this Bill and allocate time for it to be properly debated and scrutinised in this House. I appreciate that there will not be time to do so today, so I am happy to roll the Bill over to a future date. I end with this: while access cannot solve the ecological crisis on its own, many of us believe that it is a precondition for our ability to try. It is time for a culture shift that makes us a part of the natural world as well as its greatest advocate. These are common rights that our neighbours in Scotland, Norway and Sweden have enjoyed for years. It is time that we in England and Wales enjoyed them too.

Ordered, That the debate be now adjourned.—(Rebecca Harris.)

Debate to be resumed on Friday 24 March.

Mobile Homes Act 1983 (Amendment) Bill

Sir Christopher Chope (Christchurch) (Con): I am not going to move the Second Reading.

Mr Deputy Speaker (Mr Nigel Evans): It is not moved.

Anonymity of Suspects Bill

Second Reading

2.14 pm

Sir Christopher Chope (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

I will begin by briefly explaining why I did not move the Mobile Homes Act 1983 (Amendment) Bill. The Government have agreed that the Mobile Homes (Pitch Fees) Bill, which will have its Second Reading on Friday 18 November, will have their support. That Bill specifies a change from using the retail prices index to the consumer prices index as a basis for the maximum annual increase in pitch fees, which would change the maximum from 12.5% to 10.1%. On the basis of that good news, I thought it would be better to raise a separate subject.

Dr Ben Spencer (Runnymede and Weybridge) (Con): I thank my hon. Friend for his assiduous work to campaign for that change. I put on the record my great pleasure that the Government will support the Bill in November, because it will make such a difference to all our park home residents.

Sir Christopher Chope: I am grateful to my hon. Friend. The proof of the pudding will be in the eating. We cannot count our chickens yet, but let us hope that everything goes smoothly in November.

I am most grateful to the hon. Member for Brighton, Pavilion (Caroline Lucas) for allowing me time to speak today. She could have spoken for the whole half hour; I am sure that she would have had more than enough material. I did not intervene on her, but if I had, I would have referred to the fact that Tony Juniper, a former candidate for the Green party and a director of Friends of the Earth, is apparently on record as saying that he could not support the “right to roam everywhere” because “remote, quiet areas are fewer and fewer”.

I am glad that we have time to reflect on not just what the hon. Lady said but what Tony Juniper said.

Caroline Lucas (Brighton, Pavilion) (Green): The hon. Gentleman invites me to respond. I simply point out that I made it clear when speaking in favour of my Countryside and Rights of Way Act 2000 (Amendment) Bill that I was talking about increasing the access from 8% of English land to 30%. I am sure that there will be plenty of space for all that wonderful nature to flourish, as it should.

Mr Deputy Speaker (Mr Nigel Evans): Pass on.

Sir Christopher Chope: Yes, we must pass on to the important subject of the anonymity of suspects. My interest in this subject arose because I attended a meeting of a relatively new organisation called Falsely Accused Individuals for Reform at about the time that I was

[Sir Christopher Chope]

preparing the private Members' Bills that I might put forward for this Session. I was impressed by what was said at that gathering because, essentially, it is a campaign by people who have been falsely accused and whose lives have been completely wrecked as a consequence.

I will read what Sir Cliff Richard said to the meeting. As hon. Members will recall, he is Britain's all-time biggest selling male artist with, I think, 22 million singles sold. He said:

"I am pleased to support the new pressure group Falsely Accused Individuals for Reform... Being falsely accused myself and having that exposed in the media was the worst thing that has happened to me in my entire life. Even though untrue, the stigma is almost impossible to eradicate. Hence the importance of FAIR's campaign to change the law to provide for anonymity before charge in sexual allegations and hence my continued work with FAIR in the future. Had this proposed change in the law been enacted when the police decided to raid my apartment following the allegations of a fantasist, the BBC would not have been able to film this event, name me, (even though the South Yorkshire Police had decided not to) and so plunge my life and those close to me into fear and misery."

Dr Luke Evans (Bosworth) (Con): My hon. Friend is making an excellent point and the BBC was ticked off about what happened. What role do the media have to play with regard to the Bill, and how much accountability do they have in such instances?

Sir Christopher Chope: Clause 2 would apply to corporations the criminality associated with premature disclosure of somebody being a suspect. Had this Bill been on the statute book when the BBC used helicopters to film Sir Cliff's residence from above, it would have applied to the controlling forces in the BBC. I think the BBC was ordered to pay Sir Cliff £210,000 in damages for breach of privacy. It was in August 2014 that the police did that, but it took a long time for Sir Cliff to be able to clear his name. It is clear that, even now, he still bears the scars of that ordeal, which should never have happened.

This Bill is designed to prevent other people from being similarly afflicted. If somebody makes an accusation anonymously and the police act upon it and tip off the media or brief social media, they destroy the principle that people are innocent until proved guilty and should be able to enjoy anonymity until such time as they might be charged with an offence.

Sally-Ann Hart (Hastings and Rye) (Con): My hon. Friend raises the subject of anonymity. We have all seen the impact that social media abuse has on many people in the public eye, including celebrities and superstars such as Sir Cliff Richard, but also Members of Parliament, councillors and others. Does my hon. Friend agree that the issue of anonymity on social media needs to be addressed?

Sir Christopher Chope: That is an enormous subject and the Online Safety Bill might provide my hon. Friend with an opportunity to raise it. This Bill is confined to the circumstances in which somebody is suspected of being guilty of a criminal offence and people close to the investigation abuse the process by making tip-offs and saying that they have been arrested. Quite often, they are never charged.

The Paul Gambaccini case is another example of a really serious situation. He was minding his own business when at 6 o'clock in the morning there was a raid on his house, and the fact that he had been arrested was communicated by the Metropolitan police to journalists. In the end, Paul Gambaccini was paid £250,000 by the Metropolitan police—£65,000 in damages, and the rest in legal costs—for breaches of privacy. The Metropolitan police also agreed to apologise for the disclosure of that private information.

The trouble with all of that is that it is after the event and it is only those who are most resilient and probably very wealthy who can actually afford to engage in the litigation that might follow such events. That is why I think it is better to have prevention rather than cure, and to deter that type of behaviour.

Dr Luke Evans: My hon. Friend is making good points about anonymity and innocent until proven guilty. However, with the likes of Harvey Weinstein, it was because of the publicity that victims came forward to prove how big the case was. How do we get the balance right between protecting those who are accused and ensuring that people can come forward if there is enough evidence out there, especially when it comes to the great and the powerful? How do we ensure that the balance is correct for both the victim and the accused?

Sir Christopher Chope: I have endeavoured to do that in the drafting of this Bill. That is why clause 1, which sets out the offence of disclosing the identity of a suspect, makes clear in subsection (1) that it is subject to the exceptions in subsection (2). My hon. Friend's intervention is covered by the exceptions set out in subsection (2).

This is a balanced Bill. It is not just confined to cases of alleged sexual crimes, but applied to crimes in general, because, depending on the status of the person, the allegation that, for example, they are in hock to the Inland Revenue may be incredibly damaging to them. I know that HMRC is compliant with the principle that details about people's tax affairs should not be disclosed, and that, it is one of the best organisations in meeting those very high standards. Sadly, though, other organisations are not so compliant.

I recognise that there are circumstances in which it is said that, by disclosing the person who is under suspicion, that may lead to other people coming forward. That should not be the case, and it certainly was not in relation to Cliff Richard, Paul Gambaccini and many others. That is why I have set out the exemptions in the Bill. Basically, the main exemption will be where the disclosure is reasonably necessary for the prevention or detection of crime, or for the administration of justice.

I am not saying that the Bill is perfect, but, because we do not have much time to discuss it today, I hope that my right hon. Friend on the Front Bench will agree to have a meeting to discuss it further, because this is a really serious subject. It would be useful to be able to discuss with him where we can go with this. There is much public feeling out there that something must be done. We cannot allow heroes in the country to be brought low by these allegations that then turn out to be false. Having the allegations ventilated in public has caused irreparable damage to the people adversely affected.

Another person who has been the subject of such false allegations is our former parliamentary Conservative colleague, Harvey Proctor. He has been put through the hoops twice on this, although, in the end, he received a pay-out of £800,000 from the police. But who ends up paying that? Of course, we do. Ultimately, his life has been completely wrecked as a result of the false allegations made against him on two separate occasions. He did not have much in terms of resources. He was not in a position on his own to be able to seek redress. I mention his name, because he was not a great star in the media or on television who had resources. Even for Paul Gambaccini, immediately this information came out into the open, he was suspended from being able to do his radio programmes on the BBC. He lost a whole year's work.

James Daly (Bury North) (Con): Will my hon. Friend give way?

Sir Christopher Chope: No, I will not, because I am just about to finish.

In the case of Cliff Richards, the consequences were that his charities suffered to the tune of more than £100,000 a year in lost income while he was under suspicion.

It is with pleasure that I move the Second Reading of this Bill, and hope that, in due course, I will be able to have a meeting with the Minister to discuss its contents.

2.29 pm

The Minister of State, Ministry of Justice (Damian Hinds): I congratulate my hon. Friend the Member for Christchurch (Sir Christopher Chope) on bringing this important subject to the Floor of the House. I also thank and commend all colleagues who have taken part in the debate, including my hon. Friends the Members for Hastings and Rye (Sally-Ann Hart) and for Bosworth (Dr Evans).

In this debate, we have heard about the real human consequences of some of the issues involved, and it is right and proper that we take time on a Friday to debate these matters. The underlying issue is one on which views do vary. My hon. Friend set out his arguments very helpfully. He has drawn attention to the great harm that can be done where people who are investigated by the police in connection with a crime are then not charged or identified as being under suspicion. Although it is often in the particular context—

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 18 November.

Business without Debate

COVID-19 VACCINE DAMAGE BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 18 November.

NHS ENGLAND (ALTERNATIVE TREATMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 18 November.

DECARBONISATION AND ECONOMIC STRATEGY BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 March.

PETS (MICROCHIPS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 20 January.

SUPPLY OF DRUGS TO CHILDREN UNDER 16 (AGGRAVATED OFFENCE) BILL

Mr Deputy Speaker (Mr Nigel Evans): The hon. Member who was in charge of the Bill has become a Minister, so the Bill will not be moved. Ownership of the Bill can be transferred, so we may see it with a different Member in charge in the future.

BBC LICENCE FEE NON-PAYMENT (DECriminalISATION FOR OVER-75S) BILL

Resumption of adjourned debate on Question (21 October), That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 18 November.

GREEN BELT (PROTECTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 18 November.

Mr Deputy Speaker: Friday 18 November is going to be a very busy day!

Democratic Republic of Congo-UK Relations

Motion made, and Question proposed, That this House do now adjourn.—(*Nigel Huddleston.*)

2.32 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am pleased to introduce this debate on UK relations with the Democratic Republic of Congo.

I studied French at the University of Stirling nearly 30 years ago, so I have always been interested in francophone Africa. In fact, I have visited 15 francophone countries across that great continent in the past 20 years. One thing that I have taken from those numerous visits is a growing concern about the paucity of British political and economic interests in those francophone countries. I want to use this debate to try to ascertain from my right hon. Friend the Minister what measures the Government will take to increase British representation and engagement with francophone countries in Africa in a post-Brexit context.

When I visited Mauritania some years ago, I was shocked to find out that I was the first British Member of Parliament to visit the country in 25 years. I wrote an extensive report about Mauritania which I presented to William Hague, the then shadow Foreign Secretary, and ultimately that led to diplomatic relations being instigated with Nouakchott. I am pleased about that outcome, but it should not be the role of Back-Bench Conservative MPs to try to solicit and entreat our Government to understand and recognise the extraordinary importance both of francophone countries in Africa and of our engagement with them.

Mr Deputy Speaker, you will know that 21 of the 54 African nations are officially francophone, and they act increasingly as a political bloc. We, I believe, have lost votes at the UN periodically because of our inability to engage with and convince francophone African countries to support us. I very much hope to hear from the Minister of State on whether there is in the Department for International Trade or the Foreign Office a dedicated unit with French specialists and experts who will work constructively with the Government to focus on francophone African countries.

According to my information, we are the second biggest donor to the Democratic Republic of Congo, but my friends in Congo describe us, much to my consternation, disappointment and embarrassment, as observers. We give the second largest amount of international aid, yet we are described as observers! The Russians, the Chinese, the French and the Belgians are assiduously trying to engage politically and commercially with the Democratic Republic of Congo. We are falling behind not only our fellow countries, but our potential adversaries—the Russians and the Chinese—in our influence in such an important and large African nation.

As the Minister of State will know, the Russians recently signed a major military contract with the Democratic Republic of Congo to provide it with military helicopters and planes. Unfortunately, it is not inconceivable that we are re-entering an extraordinarily competitive set of circumstances with our Russian adversaries within Africa, commensurate with what we went through during the cold war. Whether it is in the Central African

Republic, the Democratic Republic of Congo, Eritrea or in Djibouti, the Russians seem to be stealing a march on us.

I supported Brexit very passionately. More importantly, I am proud that the people of Shrewsbury voted for Brexit. I can see two major advantages to Brexit in our relationship with African nations. First, of course, we are moving to a points-based system to evaluate immigrants crossing our border. I am very pleased about that, because I want Congolese people and all African people to be treated in the same way as Europeans when the assessment is made as to whether they will be granted the privilege of working in the United Kingdom and perhaps ultimately receiving citizenship.

I have spoken many times at universities throughout the country to try to explain to young people—even today it is quite difficult to convince them of this point—that under the previous system, when we were a member of the European Union, our immigration policy was racist. It was pure racism personified. There was automatic access, with no questions asked, for our fellow Europeans such as the Poles—I am originally from Poland myself—the Czechs, the Hungarians and the Romanians, but the Congolese and those from other African nations had to jump a much higher fence to enter our labour market.

I am delighted and thrilled that at our borders, unconstrained by such artificial concepts, we can now assess an individual based on her or his skillsets, what they will bring to our nation and whether they can convince a British entity to employ them, rather than on where they have come from. I want to attract the brightest and best to this country, whether that is in the healthcare system or in the business world. I want to do everything possible to ensure that we attract the brightest and best Africans to our nation.

The other benefit, of course, is that as an independent and sovereign nation we will be able to slash tariffs—I have been promised that that will happen—on products that we do not make or produce ourselves. Isn't that interesting? We have hitherto been part of a bloc representing the interests of 28 rather disparate and highly polarised nations. Inevitably, the geographical perspectives of southern European nations and what they grow and produce are very different from northern European nations. I am pleased that we will be able to slash tariffs on products from the Congo and other African nations that we do not produce in the UK. What is the point of having tariffs on oranges? We have yet to devise a way of growing those sorts of products in the United Kingdom, so we should slash tariffs on them.

In the old days, we had to put up barriers to protect Spanish orange growers, Greek olive producers and all those agricultural products that we cannot produce here in the United Kingdom. I look forward to hearing from the Minister—I intend to ask her many written parliamentary questions going forward—what agricultural products she intends to slash tariffs on to send the strongest possible signal to the Democratic Republic of the Congo and other nations that we are serious about trading with them. Yes, aid is an important aspect of that relationship but, ultimately, giving tariff-free access to the world's fifth largest economy is much more important, and that is what will support African nations more than anything else. I ask the Minister to put a list in the House of Commons Library of the products on which she intends to start reducing tariffs.

The other issue I want to raise is my concern over the conduct of Rwanda. Rwanda is, of course, a member of the Commonwealth, and we have a special relationship with Commonwealth countries. My understanding is that Rwanda and Mozambique are the only non-former British empire countries that have recently joined the Commonwealth. Nevertheless, part of being a member of the Commonwealth is that our relationship is special and is one of mutual respect and understanding. We are friends, and we sometimes have to be quite straight with our friends when we think they are making a mistake.

I am proud of the tremendous work that we did to ensure that South Africa was admonished when she was pursuing outrageous racist policies of segregation and apartheid. The Commonwealth acted extremely well in the 1980s. Of course, her late Majesty was instrumental in bringing the Commonwealth together to ensure that the voice of our friends in Africa was heard. I would argue that apartheid was finally brought down, in part, by the unity of the Commonwealth in explaining that such conduct was completely unacceptable and unsustainable for a nation wishing to be part of this rather special and exclusive club, which I believe has 56 members—although the Secretary of State may correct me.

I have heard from my friends in the Congo that, unfortunately, Rwanda has been repeatedly and consistently funding the M23 terrorist group with guns and money. Thousands of people have died this year in north-east Congo as a result of the terrorist activities and atrocities of the M23 terrorists operating there. Our media is quite rightly full of the killings and violence towards people in eastern Ukraine. We need to understand and recognise the brutality of the Russians towards our Ukrainian friends. However, I am disappointed that our British media does not seem to take the same interest in what is happening in north-east Congo. As I said, thousands of people have been killed, and so concerned is Kinshasa with the behaviour of Rwanda that it did not send a delegation to the recent Inter-Parliamentary Union conference in Kigali. My hon. Friend the Member for West Worcestershire (Harriett Baldwin) led the British delegation, and I have spoken to her about this issue. She said that the absence of Congo from the IPU conference was very clear, given the severity of the concerns of our friends in Kinshasa about the conduct of Rwanda.

I have said before that the United Kingdom and Rwanda are Commonwealth partners. Under both the former Home Secretary, my right hon. Friend the Member for Witham (Priti Patel), and the current Home Secretary, there seems to be a determination to continue with the policy of sending to Rwanda those who enter the United Kingdom illegally via the English channel. By the way, I totally support the Government's determination to break the business case of the ghastly criminal gangs that prosper to the tune of tens of millions of pounds from trafficking these people illegally across the English channel, but if the Home Secretary is to continue on the path of sending these illegal immigrants to Rwanda when there is growing concern that Rwanda is funding terrorism in a neighbouring nation, serious questions have to be asked. Unless those questions are answered satisfactorily, I will not be able to support any move in this House to undertake that policy of sending illegal immigrants to Rwanda.

Interestingly, Robert Wood, the American representative at the UN Security Council, gave a speech at yesterday's Security Council calling for Rwanda to stop supporting these terrorists in north-east Congo. Will the Minister, on the Floor of the House, echo the sentiments of Robert Wood and our American allies by publicly calling on Rwanda to stop funding these terrorists? I would be extremely obliged for her views on this. Can she assure me that she will raise these concerns directly with the Rwandan Government?

President Tshisekedi of Congo visited London on 18 October for a major economic summit, and he spoke passionately about the importance of trying to engage bilaterally with the United Kingdom in a more constructive and effective way from the point of view of trade. I speak as one of the Prime Minister's trade envoys, and I returned this morning from Mongolia after a 20-hour plane journey. I understand the importance of the trade envoy programme. We are currently working on opportunities in Mongolia worth hundreds of millions of pounds, and I am very proud of the trade envoys' work in promoting bilateral trade with key strategic partners around the world. In a post-Brexit context we have to stop our obsession with our small, shrinking continent and reach out to parts of the world where we have historically not been able to grow our exports.

I pay tribute to Lord Popat, who is doing an extremely important job as our trade envoy to Uganda, Rwanda and the Democratic Republic of the Congo. I am not ashamed to say it, although it may be slightly controversial—this is nothing against Lord Popat—but when two countries are at odds with one another in such a profoundly difficult way, I do not believe it is appropriate for one trade envoy to cover both countries. I urge the Minister to ensure that there is a dedicated trade envoy purely for the Democratic Republic of the Congo, which in itself is the size of western Europe. She will know, without my going into them, all the tremendously strategically important bilateral commercial interests we must enter into to ensure that the Russians do not steal a march on us.

Finally, I know that in my portfolio of Mongolia £2 billion has been set aside in credit exports from UK Export Finance. On the Mongolia desk, we are working assiduously to try to spend the Minister's money as quickly as possible. The day before yesterday I heard of productive and extensive one-to-one discussions with the Mongolian Prime Minister to ascertain the key strategic projects that they would like us to get into. I hope the Minister will let us know how much is available for Congo and that she will encourage British companies to enter this extremely important and very exciting market.

Mr Deputy Speaker (Mr Nigel Evans): I welcome the Minister in her new role to the Dispatch Box.

2.51 pm

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): Thank you very much, Mr Deputy Speaker; it is a pleasure to be here and I am grateful to my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) for securing this debate.

[Anne-Marie Trevelyan]

Before I set out more fully all that we are doing with the DRC, I assure my hon. Friend of our commitment to that wider francophone African community of countries. Last week, the Department for International Trade hosted a francophone Africa trade summit in London, and the Foreign, Commonwealth and Development Office hosted a breakfast with all those Ministers who were present. We are seeing really strong renewed relationships with francophone African countries as they turn to the Commonwealth—my hon. Friend highlighted the work the Commonwealth continues to do, and that is something we should all champion.

The relationship between the Democratic Republic of the Congo and the United Kingdom stretches back decades. The UK has sought to be a dedicated friend to the people of DRC since the country's independence in 1960, and that has never been more the case than it is today. DRC faces many challenges, but it is also an important partner for the future. Its natural and mineral resources are vital for the future of this planet. Protecting its vast, biodiverse forests is essential to reducing climate change and DRC's rare minerals, including cobalt, are essential for the production of batteries needed for modern green technologies.

Unfortunately, those opportunities are conditioned by a number of very serious challenges. For the last almost 30 years, eastern DRC has suffered from constant violent conflict. That endemic conflict, combined with weak governance and poor delivery of basic public services, has left the people of DRC in unimaginable poverty. Today, almost half of all Congolese children are stunted, 5.5 million Congolese are internally displaced and 26 million are in crisis levels of food insecurity. The situation for women and girls is particularly acute: 50% of all women and girls have experienced physical violence.

Those challenges also rightly engage this Government and speak to the values of the British people. DRC is a UK priority country for humanitarian action, human rights, combatting modern slavery, ending preventable deaths and preventing sexual violence in conflict. As a nation, we are fully committed to fighting poverty and we use all the tools at our disposal to end conflict and bring peace. We abhor sexual violence in conflict and believe that supporting women and girls to access education and health services lies at the heart of a sustainable approach to future prosperity.

I will focus my intervention on five priority areas: climate, critical minerals and trade, human development, women and girls, and conflict and humanitarian need. DRC is critical to solving the challenge of climate change. As the largest country in the Congo basin, it has 155 million hectares of rainforest and 105,000 sq km of peatlands and is the world's largest carbon sink. That carbon sink—try to get your head around this, Mr Deputy Speaker—sequesters 1.5 billion tonnes of CO₂ every year. Importantly, it also regulates much of Africa's weather and rainfall, so the responsibility is transnational; this is an unbelievably important part of the global ecosystem. But, of course, 80 million people also live there, and they depend on the forest for their livelihoods.

The challenge we face is to create the conditions in which the Government and the Congolese people can be key allies in the fight against climate change and be able to value their forest and peatlands. At COP26 in

Glasgow last year, the UK Government joined donors in making a landmark pledge of \$1.5 billion over five years, to protect and sustainably manage these important forests. The UK's commitment of £200 million supports the Central African Forest Initiative and a brand-new programme for the region that will focus on community-based grassroots interventions. DRC hosted pre-COP27 meetings earlier this month, where the COP26 President reported that donors had collectively met a fifth of that pledge so far.

Importantly, DRC's natural riches of critical minerals present huge opportunities for UK businesses, but the barriers to trade remain disappointingly significant, including high levels of corruption and an uncertain business environment. We have secured a regular forum between the international community and the DRC Prime Minister to identify and eliminate barriers to trade. We are also working closely with UK businesses already in the DRC, and others that might be interested, to establish how we can expand our support.

It is estimated that more than \$1 billion is lost each year from state incomes to corruption, from a budget of less than \$11 billion. We continue to work with the Government on that public financial management reform, which is so important in helping them to make use of their resources for the greater good.

DRC has made significant progress in its health development, with child mortality having halved over the past 15 years, but the country remains significantly off track in meeting wider sustainable development goal targets. It is home to 9% of the world's extreme poor, and a projected 70 million people will be living in absolute poverty by 2025. The population is projected to double within 24 years. A young and growing population offers the prospect of an economic boon, but only if matched with investment that delivers jobs and allows basic public services to keep pace.

The UK will continue to be a long-term development partner of DRC. We have worked to improve the lives of millions of Congolese people. Our development programmes provide targeted funding and, importantly, technical assistance. But those alone will not deliver change. Fundamental reforms to public administration are overdue and critical.

Our efforts in DRC have real impact. Since 2017, we have supported 17.5 million people to access better healthcare services. Since 2018, through our women's integrated sexual health programme, we have averted more than 300,000 unsafe abortions and 4,000 maternal deaths.

Just 53% of children are fully immunised in DRC. As a result, in 2018 DRC experienced the world's largest measles outbreak, tragically resulting in more than 2,000 child deaths. We are the largest national donor to Gavi, the Vaccine Alliance, and we are helping to protect all children from preventable disease. We continue to play a leading role in supporting DRC's response to Ebola outbreaks.

Importantly, and very difficultly, DRC has among the highest rates of gender-based violence and sexual violence in the world. The UK is a global leader in tackling conflict-related sexual violence. In the past 10 years, we have committed more than £50 million to support projects that tackle sexual violence around the world. Next month we will host the second international

conference on preventing sexual violence in conflict, and DRC is one of our key focus countries. Since its launch, the UK has provided £2.7 million to the Global Survivors Fund, which has supported more than 1,000 rape survivors in DRC, providing access to health and post-traumatic support, as well as education and financial support.

Perhaps the hardest ongoing issue to tackle is that of conflict, which has raged in eastern DRC for more than 25 years, resulting in almost 3 million deaths and leading to the displacement of tens of millions of people. More than 130 armed groups are now active, committing serious human rights abuses and violations of international humanitarian law. My hon. Friend is right that regional tensions have escalated this year following the resurgence of armed group M23. These developments risk continuing to further destabilise that already incredibly fragile region.

The UK Government are working closely with neighbouring countries to call for calm and de-escalation. That diplomacy is being ably led by Lord Ahmad in the other place. The UK Government will continue to support efforts to build stability and to reduce violence in DRC. We do so through our support to the UN peacekeeping mission. In the past financial year alone, we have contributed £47 million to MONUSCO as part of our wider contribution.

It is vital that, when we speak of 25 years of conflict, we remember the human reality: the highest number of food insecure people in the world, including 3.3 million children under five who are acutely malnourished. We lead on humanitarian advocacy and we work with the Government on improving adherence to humanitarian law, the protection of civilians, and building the resilience of a vulnerable population.

Since 2017, our humanitarian programmes have provided more than 2.5 million people with cash, vouchers or food, 2.4 million with shelter and household items, and treated nearly 350,000 children with severe acute malnutrition.

The UK is proud to be a leading humanitarian actor in DRC. The Democratic Republic of the Congo is a land of opportunity—for its people, for its partners and for the world. As friends of the Congolese people, we have to understand the challenges that they face and work together with them to find a better future for their citizens. This Government will continue our work to do just that.

Question put and agreed to.

3 pm

House adjourned.

Written Statement

Friday 28 October 2022

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Environment Act 2021: Targets

The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): In March 2022, the Government launched our consultation on targets relating to the Environment Act 2021, determined to leave our environment in a better state than we found it.

It included around 800 pages of evidence that were published following three years of developing the scientific and economic evidence. The consultation closed on 27 June. We received over 180,000 responses, which all needed to be analysed and carefully considered. In the light of the volume of material and the significant public response, we will not be able to publish targets by 31 October, as required by the Act. However, I would like to reassure this House and all interested parties that we will continue to work at pace in order to lay draft statutory instruments as soon as practicable.

We remain committed to our future target to halt the decline in species by 2030, as included on the face of the Environment Act, and to bring forward the wider suite of targets specified under the Act.

[HCWS347]

WRITTEN STATEMENT

Friday 28 October 2022

Col. No.

ENVIRONMENT, FOOD AND RURAL

AFFAIRS	17WS
Environment Act 2021: Targets	17WS

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