

Friday
20 January 2023

Volume 726
No. 104



HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES
(HANSARD)

Friday 20 January 2023

House of Commons

Friday 20 January 2023

The House met at half-past Nine o'clock

PRAYERS

[Mr SPEAKER in the Chair]

Dean Russell (Watford) (Con): I beg to move, That the House sit in private.

Question put and negatived.

Neonatal Care (Leave and Pay) Bill

[Relevant Documents: First Report of the Petitions Committee of Session 2019-21, The impact of Covid-19 on maternity and parental leave, HC 526, and the Government response, HC 770; First Report of the Petitions Committee of Session 2021-22, Impact of Covid-19 on new parents: one year on, HC 479, and the Government response, HC 1132; e-petition 606011, Introduce neonatal leave and pay entitlement immediately.]

Bill, as amended in the Public Bill Committee, considered.

Third Reading

King's consent signified.

9.35 am

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I beg to move, That the Bill be now read a Third time.

I am incredibly happy to be able to bring the Bill back for further debate. At the heart of the debate and at the heart of the Bill is a simple idea: babies in neonatal care need their parents and their parents need to be with their babies, and we must do all we can to give families that vital time together. Today, we have the opportunity to help give them that time without the added worries of missing work and losing pay.

If I may, Mr Speaker, I would like to take this opportunity to thank colleagues across the House who have supported the Bill's journey so far. I am very pleased to start with Madam Deputy Speaker, the Chairman of Ways and Means, given her kind words and insight on Second Reading. She noted the unanimity of the House that day, when we heard from Members right across the Chamber, including many with very personal and powerful stories and experiences. That consensus continued in Committee, whose membership included three of the four Ministers who have, at various points, been responsible for the Bill and very supportive of it, including the Minister on the Government Front Bench today. I am very pleased to see him in his place.

I would like to give particular thanks to my hon. Friend the Member for Glasgow East (David Linden) and the hon. Member for Thornbury and Yate (Luke Hall), who have both been especially helpful and have campaigned tirelessly on this issue for several years, but I am grateful to colleagues in all different parties for their support, both during proceedings in the House and in discussions outside.

I hope that spirit of consensus will continue today and I am optimistic that it will, this being one of the very rare proposals that could be found in both the SNP and Conservative manifestos at the 2019 general election. If that spirit of consensus does continue, I will have a whole host of organisations and individuals to thank for helping to champion this cause and build that consensus. Over the next few minutes I want to briefly recall the problem the Bill seeks to address and then detail how its provisions will address that problem. Finally, I will explain the positive changes that were made in Committee to improve the Bill. First of all is the issue that needs to be addressed.

The arrival of a new baby is of course overwhelmingly a time of joy and hope, but an estimated 100,000 babies every year are admitted to neonatal care in the United Kingdom following their birth. Many of those babies will spend prolonged periods of time on a neonatal care unit in a hospital as a result of being born prematurely or with other health conditions. For their parents, this becomes an incredibly worrying and stressful time. They will be desperate to focus on getting through that challenging time, supporting each other and being with their baby—or, indeed, babies—but very many find that difficult or feel unsupported. Fathers, if eligible, get only two weeks of statutory paternity leave. When that runs out, they may be called back to work while the baby is still in hospital. How can you productively work when your baby is on a ventilator in an intensive care unit?

When babies have an extended stay in hospital at the start of their lives, mothers report that 39 weeks of paid maternity leave sometimes feels barely like maternity leave at all. A large proportion of the time can be used up busing alone to and from a distant hospital where their baby is in neonatal care, and sometimes juggling other responsibilities, perhaps another child, all of which leads them to feel that they do not have sufficient quality time at home with their baby before having to return to work. Some will feel compelled to leave work as a result, and many do. None of that is good for parents, or for the developmental outcomes of premature babies denied important early and regular contact with their parents.

How will the Bill assist? The successful passage of the Bill will create a new statutory leave and pay entitlement for the parents of babies receiving neonatal care. Employed parents who find themselves in that stressful situation in future will know that, as a minimum, they are entitled to paid time off work to care for their babies and they will not suffer detriment from their employer as a result.

That protected time off work is crucial. There are some brilliant, supportive and flexible employers out there who deserve to be commended, and it would be great to see some more follow their lead. But sadly, they remain the exception rather than the rule. That is why we need neonatal care leave and pay entitlement to protect and support many more parents.

I turn to the main provisions of the Bill. If it is passed, neonatal care leave and pay will be available to parents of babies who are admitted into neonatal care up to the age of 28 days, and who have a continuous stay in hospital or in another agreed care setting of seven full days or more. Neonatal care leave will be a day-one right, meaning that it will be available to an employee from their first day in a new job. Statutory neonatal care pay, like other family-related pay rights,

[*Stuart C. McDonald*]

will be available to those employees who meet continuity of service and minimum earnings tests. The intention is that parents will be entitled to up to 12 weeks of neonatal care leave—one for every week that their child spends in neonatal care. That leave will be protected. A person should not suffer any form of detriment due to taking up their leave.

Ms Anum Qaisar (Airdrie and Shotts) (SNP): I am delighted to be here to support my hon. Friend and to see that this Bill has cross-party support. Does he agree that the provisions in the Bill go a long way to ensure gender equality for fathers and non-birthing parents, who are often excluded from statutory maternity provisions?

Stuart C. McDonald: I am grateful to my hon. Friend for her support and her intervention, which I fully agree with.

Richard Fuller (North East Bedfordshire) (Con): It is commonplace to congratulate Members for the passage of their Bill, but the hon. Gentleman will have sincere support from all sides, and I support his Bill. I hope he will allow me to probe a little, as I was not on the Bill Committee. He is talking about the benefits to employees and to families. Obviously, there is a burden on companies that will have to pay for those benefits. Could he advise the House of whether there was a discussion in Committee about those burdens? What is his understanding of what the additional burdens on companies may be?

Stuart C. McDonald: I am grateful for the hon. Gentleman's support. He asks a perfectly fair question that I will come to in a little more detail later on. In essence, the provisions for businesses will be the same as for other existing rights. There will be reimbursement of 103% for small businesses, and up to 93% percent for larger businesses. For those businesses who already follow good practice, there will be a benefit because they will be reimbursed for what they are already doing. At the same time, feedback from employers shows that they benefit because they have a better relationship with employees, and the return to work is much smoother and more successful. I thank the hon. Gentleman for his question.

I will continue to describe the main provisions of the Bill. For parents who meet continuity of service and minimum earnings tests, the expectation is that neonatal pay will be paid during the leave at the statutory rate, which is just shy of £160, or 90% of the employee's average wages—whichever is lower. Hopefully, that will be uprated in line with increases to statutory payments—something that we will monitor closely. That mirrors existing family leave and pay provisions such as paternity, shared parental and adoption and maternity after the first six weeks. The process for reimbursing employers will also mirror existing schemes.

There will be flexibility about when the leave is taken. The likelihood is that many fathers who have only two weeks of paternity leave will want to take their neonatal leave immediately thereafter, while their child is still in neonatal care. The situation for mothers is a little different, because once maternity leave commences, a mother cannot stop that maternity leave to take neonatal care

leave, otherwise she will lose her remaining maternity leave. Neonatal care leave is therefore to be flexible in order that mothers can add it to the end of their maternity leave and any other forms of parental leave they might be entitled to. With that in mind, the Bill provides for the window of time within which neonatal care leave can be taken to be set out in regulations. However, the window will be six to eight weeks following the child's birth, which ensures that mothers and fathers have sufficient time to take their neonatal care leave alongside other leave rights that they might be entitled to, rather than losing out on any other such entitlements.

Finally, I want to explain the amendments that were made in Committee. First, clause 2 was amended to remove the power to amend primary legislation via secondary legislation—a so-called Henry VIII power. That was originally included to ensure that the Bill, on becoming law, worked effectively alongside other legislation that is going through Parliament. Upon further assessment and examination, it seems that this power is not required, and the clause now only empowers amendments to secondary legislation. Given that I spend an awful lot of my time as an Opposition MP shouting about excessive and inappropriate use of Henry VIII powers, it is pleasing to have been able to take at least one of them out of this Bill.

Secondly, and perhaps more significantly, part 2 of the schedule to the Bill was amended by changing the definition of “relevant week” in proposed new section 171ZZ16 of the Social Security Contributions and Benefits Act 1992. The definition of “relevant week” is important because it fixes a point at which it is assessed whether a person is entitled to neonatal care pay. The Bill, on introduction, defined the relevant week as the one immediately prior to the week in which neonatal care started, which is similar to the drafting of equivalent provisions for parental bereavement pay. However, if a parent was already receiving statutory pay—for example, maternity pay—in the relevant week before their child enters neonatal care, their income could end up being lower than usual, negatively impacting their ability to qualify for neonatal care pay.

For those employees who are eligible for other parental pay entitlements such as maternity, paternity or adoption pay, the amendment made in Committee changes the definition of “relevant week” for neonatal care pay, to align it with the definition of “relevant week” in these existing entitlements. Amending the Bill in this way ensures that parents who are already low earners and perhaps only just above the earnings threshold do not miss out on the entitlement to statutory neonatal care pay simply because they are already receiving another type of family-related pay when their minimum earnings for neonatal care pay are assessed. Where an employee would not qualify for any of the other statutory parental pay, the relevant week will continue to be defined as the week immediately before the week in which neonatal care starts.

Richard Fuller: I was not in Committee, so I want to ask a particular question, and I am going to sound very smart. In subsection (2)(a) of proposed new section 171ZZ16, “Entitlement”, of part 12ZE of the 1992 Act, there is reference to

“a child who is receiving, or has received, neonatal care”.

The hon. Gentleman has been very clear on the Henry VIII powers and how the entitlement to this pay is aligned with other funding that is provided, but what is the definition of “neonatal care” in practice? It will be defined in regulations, but in practice, is it limited to parents of children who have been in neonatal intensive care units and other hospital facilities, or is there a broader definition?

Stuart C. McDonald: The definition in the Bill encompasses neonatal care up to the 28th day of the new baby’s life. Further thought has to be given to whether we limit that to care on a neonatal ward or whether we go further than that, and I hope that we do, because there will, for example, be families who have babies at home but are regularly required to be at hospital appointments or have regular interventions and people visiting to provide care and treatment. We have to think about how we define it in a way that makes it clear but does not exclude people simply because they are not physically in a hospital 24 hours a day. That is a fair point, and further work needs to be done before we come to a final conclusion on exactly how this should look.

In concluding, I want to reiterate that what we are debating here is the traumatic and stressful experiences faced by families with wee ones in neonatal care, and at the heart of this proposed legislation are vulnerable babies who need us to do more to help their parents at a crucial time. We need to ensure as far as we can that those parents have the time and resources to focus on their babies, without the additional burden of worries about money and time off work. There are tens of thousands of families each year counting on us to get this done and get it right, and I ask Members across the House to give this Bill their support.

9.49 am

Mary Robinson (Cheadle) (Con): Thank you, Mr Speaker, not only for calling me to speak but for making accommodations to enable me to speak in this debate. It is a pleasure to follow the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald). I congratulate him on getting his important Bill to Third Reading; it was a pleasure to support it on Second Reading and in Committee. On Second Reading, he said:

“We should all be enthusiastic about this brilliant Bill, which I know will make such a huge difference to tens of thousands of families each and every year.”—[*Official Report*, 15 July 2022; Vol. 718, c. 593.]

I hope that the cross-party support for the Bill today will reflect that enthusiasm.

It is estimated that approximately 50,000 babies born in the UK each year need to spend more than one week in neonatal care. This policy change will provide relief and support for the families of those 50,000 babies, meaning that parents can concern themselves with and focus on the wellbeing and care of their children, and not fret about their employment or income. At such a stressful time in parents’ lives, it is right that we should ensure that an extra financial burden is not added to the situation.

I know that the hon. Member worked closely with the charity Bliss, which has supported families across the UK, including in Cheadle and Greater Manchester.

May I take the opportunity on behalf of my constituents to thank Bliss and other groups that support people in that position?

For parents whose children may spend some weeks in hospital, the Bill will mean that they do not have to miss out on valuable time with their baby at home. Importantly, the fact that paid leave can be taken within a window of 68 weeks following the child’s birth, as I understand it, will hand parents the power to make their entitlement as useful as possible to them.

The Bill, which will amend the Employment Rights Act 1996, will create a natural extension to the UK’s already generous parental leave and pay by providing an entitlement for parents of babies who need care in health settings for more than one week before they reach the age of 28 days. The 12 weeks of paid leave will be on top of other statutory leave and pay entitlements. Critically, as the hon. Member set out, it will be a day one right: an employee will be entitled to it from their first day on the job. We know that many employers already handle these situations sensitively and with compassion, but it is right that this care and understanding be extended across all employers. Quite simply, the Bill is about caring for and valuing people.

I am glad that the Government have supported amendments that the hon. Member, as the Bill’s promoter, tabled in Committee. They include an amendment that makes changes to the relevant week to calculate pay and seeks to ensure that parents who are low earners do not miss out on their entitlement to statutory neonatal care and support. It is important that such a policy change is delivered in the most effective and accessible way.

At previous stages, Members across the House shared their own deeply personal experiences, as well as stories of their friends and constituents. We all know someone who would have benefited from this leave entitlement, so it is good to know that in future there will not be the same added burden at a time of worry and distress. I know that the policy has been in the works for many years and the Government are committed to delivering it. Once again, I thank the hon. Member for bringing it forward. I hope that it will have unanimous support across the House.

9.54 am

Alex Davies-Jones (Pontypridd) (Lab): It is an honour to follow the hon. Member for Cheadle (Mary Robinson). May I, too, echo the congratulations to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) on all his hard work on this Bill? It is a genuine honour to speak in the remaining stages on this private Member’s Bill. We all know how rare it is for there to be a time when such a Bill can progress in this place, but the particular importance of this Bill makes this an even greater achievement. I, too, would like to place on record my sincere thanks to Bliss, the charity that does so much work to help parents with babies in a neonatal unit, for all of its hard work to help sick and premature babies every day of the year. I wish to declare my interest, as a proud vice-chair of the all-party group on premature and sick babies, which has been campaigning on this issue for a very long time. I, too, place on my record my sincere thanks to its chair, my friend, the hon. Member for Glasgow East (David Linden), for all his hard work.

[Alex Davies-Jones]

Colleagues may recall that in response to last year's Gracious Speech I stood in this Chamber and condemned the then Minister for claiming to "remain very much committed" to introducing neonatal leave and pay via an employment Bill only for any trace of the Bill to be surreptitiously removed when the moment came. That was just one of 20 times the Government promised us an employment Bill. I have vocally supported the need to legislate to create statutory neonatal leave and pay since I was elected to this place, so of course I am over the moon that the Bill from the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East will soon be sent to the other place and will be one step closer to finally becoming law. This Bill is personal for me: my son Sullivan was born two weeks prematurely, by emergency C-section. Sulley stopped breathing shortly after birth and spent two weeks fighting for his life in a neonatal intensive care unit. I will never forget the anxiety my husband and I experienced in those very long few weeks. In previous debates, I have shared with colleagues how, following Sulley's birth, I was completely dependent on my husband while recovering. We were fortunate that my husband's employer had a flexible approach to annual leave and he was able to take paid time off to support us. However, the thousands of new parents with babies who require neonatal care every single day of every year are often not so lucky.

As colleagues will know, a shocking one in seven newborn babies receive some sort of neonatal care. Paid neonatal leave, as this Bill would provide, ensures that parents can focus fully on being there with their new baby, without having the complicating pressures of worrying about work or finances. Those precious first days with a new baby are sacred, and for any baby in need of neonatal care this should be no different. The inflexibility of our current parental leave legislation serves only to worsen what is for many parents of babies in intensive neonatal care by far the most traumatic period of their lives—it does not have to be this way. So although it is welcome that we will likely finally see neonatal leave and pay enshrined in employment law, I must place on record my frustration that it has taken so long for us to have reached this point; I am afraid to say that there has been an absence of leadership on this issue from the Government. I am sure I do not need to remind the Minister that his Government made a manifesto commitment in 2019 to introduce neonatal leave and pay, and that this important modernisation of employment law for new mothers and fathers alike has had to be introduced by a colleague. It has not been introduced by those on the Government Front Bench, which suggests that this Government have been asleep at the wheel.

None the less, I am, of course, relieved that the Government have supported this Bill. I was not part of this Bill's Committee, but I am pleased that the Government appeared to work constructively with the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East to get this Bill to where it is today. But I cannot help but think of all the parents of babies in need of urgent neonatal care who will not benefit from this Bill, because for them it is already too late. This Bill will be a welcome addition to the statute book, but it is long overdue. I wish it every success in the other place, and, once again, I congratulate and commend the hon. Gentleman for his dedication to this vital work.

9.58 am

Dean Russell (Watford) (Con): May I pay tribute to the hon. Member for Pontypridd (Alex Davies-Jones) for the emotional and personal tales she just told? It is so important to share those, and telling them in this Chamber must take a lot of courage, so I welcome her doing that, because I am sure that many people at home who are watching this will have gone through similar experiences. May I also pay tribute to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald)—I hope I said that correctly this time—for introducing this Bill? Private Members' Bills do not always get through to this stage and it is easy for them to fall much earlier.

I know from hearing testimonies in the previous debates and in the Committee, and from speaking to members of the public, including constituents of mine, people's personal take on this Bill, which brings to life how having children is one of the most—if not the most—precious thing that those of us who are fortunate to have had children can do. My family were fortunate in not needing to go through neonatal care, but I do remember that, when my daughter was born at Watford General Hospital, emotions ran high; there was a fear for this precious, fragile, wonderful person that we had brought into our lives. There is this fear that something could go wrong, so to have to go through the distress of something actually going wrong must be so challenging and difficult to deal with. That is why the Bill is so important.

According to the Office for National Statistics, as I understand it, there are 624,828 births in England and Wales every year, and 13,500 in Hertfordshire, but every year more than 90,000 babies are cared for in neonatal units in the UK due to premature birth, or sickness among full-term births. That is a huge number. It affects not just those children, but their parents, their families and all those who need wrap-around care. It is difficult to think that a parent could not spend time with their child in those precious few days, in that first couple of weeks, but it is not just for their child; it is for their loved ones—their spouse—as well. People want to make sure that they can put first not work but the thing that they probably go to work for.

I appreciate that colleagues will quite rightly challenge and scrutinise the impact on business and organisations. There are burdens—if we can call them that—that are placed on business, but, actually, the burden of having a member of staff or member of a team who is desperately worried about their newborn child while being at work cannot be very productive and it cannot be helpful for them doing their job. I would say that it is not a burden to enable the Bill to pass and to follow these rules; it is something that will help businesses. It will help to build morale, build a team, and make sure that people are being productive. That is why the Bill is so important. We hope that businesses and society will do the right thing, and often that is the case—the tips Bill that we will discuss later this morning is a good example of that—but they do not always do the right thing. This law will make sure that support is there for the families as well as for the babies. It will also ensure that businesses know that, as family life is at the heart of this country, workers have a right to take time off to look after their family member and their child.

When researching the subject of this debate, I looked up some statistics and found that the number of families and parents impacted is quite high. Two in five parents of hospitalised babies—40%—have anxiety or post-traumatic stress. Levels decline over time, but, a year after birth, one in four is still suffering. That is higher than generally seen in new parents. The truth is that this goes to the heart of mental health as well. Next week—to give a small plug—I shall be introducing a ten-minute rule Bill on mental health first aid in the workplace, and all Members are welcome to join in on that.

People are far more aware today than they have ever been of the importance of mental health and mental wellbeing in the workplace. Two in five parents of hospitalised babies suffer anxiety or post-traumatic stress, which is a huge number. The fact is that that can trigger depression and long-term impacts, so those first couple of weeks—or even first few days—of being able to be there for our loved ones and for our child will reduce the risk of long-term impacts, such as anxiety and depression. That can also have an impact on people's relationships. Those to whom I have spoken, who have been supportive of the Bill, all say that we are not talking about an isolated two or three weeks and then it is over and suddenly life gets back to normal. It does not. When people have a young child, the worries and anxieties about what that will bring in future are incredibly strong and can linger for years. They can damage relationships and they can harm other children in the family.

One other point to make is that, as I understand it, the average length of stay in neonatal care in England and Wales is seven days, so this Bill will do a huge amount to ensure that in that first week or two, parents can be supported and do not have to worry that they will damage their career opportunities. They will not have to worry about having to go cap in hand to their bosses to ask for what is really a family right in this country.

I will not speak for too long, but I want to say a huge thank you to hon. Members across the House for supporting this Bill. It is an important way to show that this country is one that cares about family and about children, and that builds a better society and a better community. Thank you for indulging me by allowing me to speak today, Mr Speaker; I wholeheartedly support the Bill.

10.5 am

Amy Callaghan (East Dunbartonshire) (SNP): I congratulate my hon. Friend—indeed, my very good friend and constituency neighbour—the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) on bringing this Bill forward, having won the parliamentary lottery. That is something about this place that ought to be reformed, but I pick my battles, for now.

To be honest, this has been a really difficult week to be an elected Member of this place, but the Bill my hon. Friend has presented has been a light at the end of the tunnel and sets a refreshing change of tone, especially as it has support across the House. It provides a glaring example, however, of the priorities on different sides of the House: the Government set the topic far more often

than we do but have opted to spend their time on eroding workers' rights, whereas the SNP have brought forward a Bill that gives workers more rights.

The Bill seeks to address the inadequacy of existing parental leave and pay when a baby is born premature and sick. It will support and assist families across the UK to make ends meet during an incredibly challenging time and present parents with an opportunity to have more time at home to care for their baby when they eventually make it home to their family. The Bill is of particular importance during this cost of living crisis, where working families are crying out for additional support, particularly where a home may need to be heated all day long to provide an adequate temperature for a premature and sick baby.

Ms Qaisar: My hon. Friend is making an excellent speech. Does she agree that this Bill is vital because, at its heart, it goes a long way to relieving the additional financial cost for parents at what is already an expensive time, and removes the worry for parents about the need to pay for the costs incurred when a baby is born prematurely?

Amy Callaghan: My hon. Friend makes a very powerful point. The Bill will introduce two new rights: neonatal care leave and statutory neonatal care pay. Neonatal leave will be a day 1 right, available to all employees.

In preparation for this debate, I spoke with a friend and former colleague, Kirsty Pringle, who is now an NHS registered nurse and also the mum of a premature baby, her daughter Eilish. Kirsty emphasised in her remarks to me just how important both the rights under this Bill will be to families. She explained that too much time was spent worrying that, if her baby daughter survived and she eventually got to take her home, she would not have much maternity leave left to spend with her. Fortunately, Eilish is thriving—but those worries, which were only too real at the time, still play on Kirsty's mind.

Taking sick leave from work to care for a premature baby should never have become the norm. I am sure many families and organisations will be delighted at the change being implemented with this Bill today. I place on record my thanks to the brilliant organisation Bliss. It would also be remiss of me not to mention my hon. Friend the Member for Glasgow East (David Linden), who has campaigned on this issue for longer than I have been elected to this place, and is watching this debate from his constituency home today between constituency engagements.

We should all be proud and enthusiastic about this Bill, which will make a huge difference to families with premature and sick babies where there previously has been a significant gap in support. I close by again thanking my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East for bringing the Bill forward.

10.9 am

Virginia Crosbie (Ynys Môn) (Con): It is an absolute pleasure to speak to this important Bill, which will make a difference to thousands of babies and families each and every year. I thank the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) and congratulate him on his determination in bringing the Bill forward.

[*Virginia Crosbie*]

As the former chair of the Save the Baby charity, and the mother of three amazing children, this Bill is important to me. I am delighted that the Government are supporting it. When I was chair of Save the Baby, I helped to raise vital funds for research into miscarriage and early pregnancy complications. I know just how frightening and consuming difficulties relating to pregnancy and childbirth can be. My own children have been in intensive care, and, to be honest, I struggle to talk about that even now—it was so traumatic.

One in seven babies born in the UK requires some kind of neonatal support. For parents whose newborn is put into neonatal care, the pressures and challenges are huge. This important Bill will give them up to 12 weeks' additional leave and pay so that they can spend that vital time with their baby. According to European Standards of Care for Newborn Health, the active involvement of parents in their baby's care on neonatal wards can reduce the period of neonatal care, improve new-born weight gain and breastfeeding rates, reduce antibiotic exposure and readmission rates, improve child behaviour, and reduce post-natal depression and parental stress and anxiety. For so many reasons, the Bill will have a dramatic benefit for families and long-term baby outcomes.

In the 2019 Queen's Speech, the Government included a commitment to neonatal leave. As a country, we have certainly faced unprecedented challenges since that speech, but it is important that we honour that commitment. In February last year, my hon. Friend the Member for Thornbury and Yate (Luke Hall) spoke in his Adjournment debate on neonatal leave and pay of his own experiences of having a son in neonatal care for 72 days. At that time, the Government confirmed their commitment to introducing legislation on the matter. Last May, the then Labour Markets Minister reaffirmed that commitment. He said:

"The Government is committed to introducing Neonatal Leave and Pay to meet this need and will bring forward legislation when Parliamentary time allows."

I understand that there are many pressing matters that we, as a Government, need to focus on, but it is equally important that we do not lose sight of the things that matter day to day for our constituents. Neonatal care is such a key issue. Imagine having to choose between going to work or being with your sick or premature new-born child, and you will see just how important this matter is.

On behalf of future parents, I heartily welcome and fully support the private Member's Bill of my friend, the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East, and I also support the amendments.

10.12 am

Simon Baynes (Clwyd South) (Con): It is a pleasure to follow the eloquent and moving speeches of my hon. Friend the Member for Ynys Môn (Virginia Crosbie) and other Members across the House. This is an important Bill.

I pay tribute to the special care baby unit at Wrexham Maelor Hospital, which is in the constituency of my hon. Friend the Member for Wrexham (Sarah Atherton) but is frequented by many of my Clwyd South constituents.

The maternity unit there was under some degree of threat about seven years ago, and I campaigned alongside many others for its retention. Using information provided by the special care baby unit, I will mention a little about what it does, because one aspect that we should include in this debate—I will come to parents and families in a minute—is the fantastic dedication, skill and care of all those in the health service who look after babies, and their families, in neonatal care.

The unit at Wrexham Maelor Hospital has 12 cots: one stabilisation or short-term intensive care cot, two high-dependency cots, and nine lower-dependency cots. The babies are cared for by a team of medical staff, led by a paediatric consultant, and a team of specially trained nursing staff, supported by healthcare support workers, neonatal outreach, speech and language therapists, physiotherapists, and many other professionals who work in the team. A Bliss volunteer also attends the unit every Wednesday from 10 am to 12 pm to provide emotional support. I say that not only to pay tribute to the hospital that serves my constituency so well, but to highlight the sheer skill of the people there and the wide range of complex processes that are required to ensure that babies are properly cared for in neonatal units.

As has been mentioned, one in seven babies born in the UK receives some level of neonatal care shortly after birth. Many people who have not had the experience of a baby in neonatal care—such as my wife and I, because our children did not go to neonatal care—would be surprised by that high number of babies, which further commends the Bill that the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) has brought forward. I commend him for persevering with it, because it is to everyone's benefit. As has also been mentioned, about 50,000 babies in the UK spend more than one week in neonatal care after birth every year. For many families, the inflexibility of current parental leave laws exacerbates those issues and adds to the stress for the whole family.

When the Government launched a consultation in October 2019, it found overwhelming—almost unanimous—support for what the Bill proposes. Some 99% of respondents agreed that parents of babies who are admitted into neonatal care should have access to additional weeks of leave and pay; 93% supported the proposal for a right to neonatal leave from the first day of employment in a role; and 81% felt that the maximum number of weeks for neonatal leave should be the same as the maximum number of weeks for statutory neonatal pay. As I said, I commend the hon. Member for bringing forward the Bill and I am delighted that it has unanimous, cross-party support. Under the terms of the Bill, families will be entitled to paid leave if they meet the minimum service and earning requirements, and leave and pay will last for a maximum of 12 weeks on top of their other parental entitlements.

It is estimated—this important point has not been drawn out in the debate so far—that the annual cost to the Exchequer of neonatal care leave, if paid at the statutory flat rate, would be £14.2 million a year on average, alongside the one-off cost of £5 million required to update His Majesty's Revenue and Customs' systems. To be honest, that is not a large amount of money compared with the figures of billions of pounds that we

hear mentioned in the House, and given that one in seven babies receives some level of neonatal care, it addresses a vital issue.

Dean Russell: As mentioned earlier, it is also important to look at the long-term anxiety and depression among parents from what could happen—ultimately, there is trauma in those first few weeks. When we look at the statistics, we see that many more people are taking sick leave for mental health and wellbeing reasons, which ultimately means a loss of income and damage to the individual, as well as a loss to the Treasury. I wholeheartedly agree that there is an economic argument and a very personal, long-term one.

Simon Baynes: I thank my hon. Friend for his intervention, and fully subscribe to his points. If it is not indelicate to say so, I felt that the comments made by my hon. Friend the Member for Ynys Môn about how traumatic it is for her to recall the experience, even now, make the point about the mental health issues that lie at the heart of this matter better than anybody could.

With regards to the Wrexham Maelor baby care unit, I mentioned Bliss, which we have already discussed this morning. It is a key charity that supports parents with sick and premature babies, and I commend that charity on having campaigned since 2014 to extend leave and pay for parents of babies in neonatal care. In 2019, Bliss conducted a survey that found that two thirds of fathers of premature babies had to return to work while their baby was still receiving neonatal care, and in 2018 that charity ran a campaign encouraging people to call their MPs

“to put pressure on the Government to extend leave for parents of babies in specialist care.”

Bliss noted that over 90% of MPs were reached through that campaign.

There have been many other very articulate and eloquent submissions, including from Catriona Ogilvy, founder of The Smallest Things charity; Sophie, a midwife from Tommy's, the largest pregnancy charity in the UK; Jane van Zyl, chief executive of Working Families; and Caroline Lee-Davey, chief executive of Bliss. They have all pointed out that this is a vital issue, as has been said already this morning, and I am so pleased that we can come together in the House today to send the Bill further on its way.

Alex Davies-Jones: While the hon. Member is mentioning all the fantastic work that charities do to support parents every day, will he join me in commending the work of Ronald McDonald House Charities, which supports parents who—like his constituents—have to travel to access specialist services, and need support and accommodation so that they can be with their babies when they are separated and far from home?

Simon Baynes: It gives me great pleasure to support the hon. Member's comments—she also made a very moving and eloquent speech this morning, which will stay with me for a long time. The point she makes about outreach on neonatal care is one of the points that was made in Wrexham Maelor's description of what it does. From the farthest west of my constituency—in Corwen, Llandrillo or Cynwyd—it is a long way to Wrexham

Maelor Hospital. Indeed, in Wales generally people have to travel a long way to get there. This goes back to the point about the complexity of what is supported, but I certainly support the hon. Member's comments.

In conclusion, I congratulate the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East on bringing this Bill through the House, and I am pleased and proud to support it.

10.23 am

Paul Howell (Sedgefield) (Con): It is always a pleasure to follow my hon. Friend the Member for Clwyd South (Simon Baynes), and like everybody else, I thank the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) for promoting this important Bill. I am probably going to waffle a little bit, because I have had printer problems and technical problems this morning, so my speech will be as it comes, so to speak.

In this place, we get to see and be involved in so many things. I had had no engagement with neonatal care until I started to do a little bit of research for this Bill. I have been fortunate in my life in that sense—there have been other things that have affected us—but when we start to look at those things, we find organisations that are not necessarily in our constituency, but might be close to our constituency. I want to talk a little about the support that is out there, which demonstrates the importance of this Bill, and specifically about a charity that is based in a constituency neighbouring mine, which is called Leo's. Leo was a child who was lost by a parent, but he was the first of twins; the second twin, Oska, survived. The charity was founded on the basis that Leo had given his life for his second twin.

How a parent goes through that, I cannot comprehend. I have one child, who is very healthy, and I am very thankful for that, but once we start to think about these sorts of things, it is so easy—[*Interruption.*] I am sorry, I am getting emotional already, and it is not something I am even close to in that sense. I want to emphasise how much these parents suffer from the pressures on them and from mental health problems. One of the stats on the website is that 79% of parents have mental health challenges as the result of going into neonatal care. I do not understand why it is not 100%. It must be so traumatic to go through that space.

I understand that Leo's was instrumental in founding Neonatal Mental Health Awareness Week. That shows that when something touches somebody really deeply, they go out and reach people in other areas that they probably never imagined they would get into. Some of the speeches that we have heard show the connections that people have made. As I say, I have no particular connection to this issue, other than that it has touched me as I have looked into it a little bit for this Bill. So really, I just want to emphasise the need to do things for parents in this situation. They have enough of a challenge without having to worry about where the next penny is coming from, so I support what the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East has brought forward in this Bill and commend him for it.

This issue is not just about the now or the immediacy of the issue; it is about going forward. One thing I noticed, I think from earlier this year, was the number of referrals to the charity. It has had some funding from County Durham Foundation Trust and elsewhere, but

[Paul Howell]

it is now oversubscribed and has had to stop referrals, I think for the first time, because there was just so much demand. That shows the scale of the issue—I think there are about 3,000 cases a year in the north-east alone, apparently.

I could waffle for a little longer, but I feel like I am going round in circles a bit. I commend the hon. Member and thank him for bringing the Bill forward. As he said, we do not always speak with such unity across the House, particularly those of us in the north-east, who are quite close to the Members in Scotland. I will conclude there, Mr Deputy Speaker, and will try to find my notes for the next debate before I get there.

10.27 am

Selaine Saxby (North Devon) (Con): It is a pleasure to follow my hon. Friend the Member for Sedgefield (Paul Howell), and I congratulate the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) on bringing this Bill through the House. It is an important piece of legislation that will support so many families around the UK. Neonatal care for premature and sick babies can have long-lasting impacts on a family, as we have heard, even once the baby is well and able to return home. Those impacts range across logistical challenges, family dynamics and even the future attainment of the baby.

Bringing in additional care leave will, in the short term, alleviate the stress caused when one parent has to return to work. Paternity leave provides for only two weeks of leave from work for the 50,000 families who spend more than one week in neonatal care after birth every year. The father's chance to bond with the baby and support their recovering partner is severely limited. Seventy per cent. of families with a significant neonatal stay report that one parent had to return to work while the baby was still receiving care in hospital. The pressure that puts on the remaining parent, as they make crucial decisions alone for their child, have to remain in hospital while recovering themselves or face issues around childcare for older children, is immense.

In rural areas such as my North Devon constituency, families also have to face the challenges of getting to hospital, especially if one parent returns to work and the other cannot drive and has to rely on very sparse public transport. With longer maternity leave and pay entitlements, the parent left with the child is often the mother.

In families who do not require neonatal care, the childcare burden still falls disproportionately on women. In 2018, Government research found that fewer than one in five of all new mothers, and 29% of first-time mothers, return to work full time in the first three years after maternity leave. In the childcare and early years survey of 2021, around 71% of mothers with children aged nought to 14 were in work. For new mothers, however, staying with the same employer is associated with a lower risk of downward occupational mobility, but also a lower chance of progression. A previous study found that a third of women returners reported a reduction in job status. Overall, it found that women were less likely to return to work if they had not received any maternity pay at all.

Although there has been notable progress in maternity leave and, of course, paternity leave, the life of mothers when they return to work and how it affects their career progression and productivity has been less talked about. The burden on a mother facing exceptional care and health needs for their child is even higher. At present, parents of premature babies have to leave their children at an earlier stage of development than other parents. This leads to many mothers reconsidering their plans and either significantly delaying their return or leaving the workforce altogether.

Boosting productivity is crucial to boosting economic growth. Enabling more women to confidently return to work after maternity leave will not only reduce the gender pay gap, and the gender gap in senior leadership positions, but boost our economy. This Bill not only supports families but helps British businesses to manage parental leave. Parents often resort to statutory sick pay while their child is in hospital. This is not a suitable replacement for appropriate leave and pay, both for parents and for employers. Unlike neonatal pay, employers are unable to reclaim the cost of statutory sick pay, so the current system comes at a significant cost to businesses.

Ultimately, a more stable family life benefits babies as they grow. Seventy-one per cent. of families report that they are worried about the long-term outcomes for their pre-term babies. Neonatal care prevents a lot of typical bonding, such as skin-to-skin contact, feeding and other regular care. This bonding has been shown to improve weight gain and motor reflexes, and even reduce pain, as the child grows. By giving parents the right to neonatal care leave, on top of maternity and paternity leave, families will have more time to bond, increase their confidence in parenting and reduce separation and financial stresses.

We all want the best for our children, and supporting families as they face the challenges of neonatal care helps to give them the best start in life. As is so often the case on a Friday, we do our best work in this House when we are together. I am delighted to support the Bill today.

10.32 am

Richard Fuller (North East Bedfordshire) (Con): This is a good measure proposed by a good and thoughtful Member of Parliament, with whom I have worked in the past on other topics. I know him to be a man of considerable integrity and compassion. It is a delight to support him today. I will not, as other colleagues have struggled to, name the three parts of his constituency. [Laughter.] Okay, I will have a go: Cumbernauld, Kilsyth and Kirkintilloch East. [HON. MEMBERS: "Hear, hear!"] Thank you.

We have heard a number of powerful speeches in which Members have talked of their own and their constituents' experience of neonatal care. I hope it does not upset the House if I take a slightly different angle because, in all such measures, we have to recognise that there is always a surplus of wants and needs of varying degrees of validity—this being one that has high validity—but all of which come with a cost to society. It might be a cost to the taxpayer that makes it harder for us to fund other public services, or it might be a cost to businesses that makes it harder for them to increase employment, increase growth or achieve profitability. This Bill is a

good example of balance. As my hon. Friend the Member for Watford (Dean Russell) pointed out, there are aspects of the Bill that will enhance value for businesses by strengthening the ability of families to go back to work after a period that may have been very traumatic and testing for them, but I decided to go to that trusty steed for parliamentarians, the impact assessment.

I do not know whether other Members read impact assessments, but I am seeing many nods around the Chamber, so I hope I am not repeating what they already know. Impact assessments are a valuable tool for us as legislators: they are an essential element of our ability to understand some of the costs and benefits of legislation, and not just financial costs and benefits. Let me gently suggest to my hon. Friend the Minister—I can say it to this Minister, because I know he already agrees with me—that in recent years Governments have got into the habit of not carrying out impact assessments as regularly as they should, which is a concern for us as Members of Parliament. The Minister will be aware of the House of Lords report “Losing Impact”, which demonstrated that decline. A gentle nudge, as part of the Bill, would reinforce the value of these assessments.

Let me now draw the House back to the point made by my hon. Friend the Member for Clwyd South (Simon Baynes) about the costs. The reason the Bill is a demonstration of the good balance between a public policy and the burdens on society—and, in this case, on business—is the widespread impact that it will have. I think my hon. Friend said that one in seven births in the UK would be covered in some way by this definition of neonatal care. That applies both to premature babies, where I think the proportion is approximately two thirds—40,000 out of 60,000—and to at-term babies, where the proportion is about 10%, or about 60,000. The Bill will therefore have an effect on quite a large section of our population.

Interestingly, owing to the subtlety of the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East, the Bill recognises that money is not the answer here. There are so many emotions going on, so many feelings and sentiments, but the Bill’s value lies in its recognition that a bit of help at the margins from society can help families at a particular time of need. We are coming together as a society and saying, “We are a better society if we demonstrate our recognition that people are going through a crucial period that can create an enormous amount of stress and pain for certain families, and certainly a tremendous amount of anxiety.” As others have mentioned, people may then feel that they can return to work more rapidly.

It does concern me, however, that it will cost HMRC £5 million to make a one-off change to its IT systems, and I should be grateful if the Minister could provide a detailed assessment of where that £5 million will go. I know he is not responsible for HMRC—that responsibility rests with the Treasury—but, as he is the Minister responsible for what we are discussing, he may wish to understand why that cost is of such great significance. The other costs are ongoing costs to businesses, but there is a separate issue for businesses which relates not just to their financial costs but to their legal liability.

This is a right that will extend to businesses of all sizes, from the very large multinationals all the way down to businesses that may have only one or two employers. Could the Minister clarify whether the right

in this instance is only a right on application by the individual concerned to their employer, which I think it is? If so, what has been the assessment of legal risk and liability for an employer should an employee first not claim that right, and then claim it subsequently? There is quite a long period during which an employee can claim the right, and, with the best will in the world, some small businesses do not keep records or information and may miss something. Is there something here on the legal risk? It is really just about dotting the i’s and crossing the t’s, but I draw it to the Minister’s attention because the impact assessment says that

“this leave entitlement will create a minimum standard for an issue which is difficult to navigate for employers and employees.”

A bit of clarification on that point would therefore be helpful.

The impact assessment asks:

“Does implementation go beyond minimum EU requirements?”

Hon. Members—certainly those on the Government side—will not be surprised that the answer given is “yes”. Given that people chose to take back control, and given the strong support for understanding what is in the vital and particular interests of the United Kingdom, the Government are taking the implementation of this measure beyond minimum EU requirements. I am sure that we are all pleased about that.

Earlier, I raised with the Bill’s promoter proposed new part 12ZE and proposed new section 171ZZ16(2)(a), which relates to the definition of neonatal care. I think that he and I agree that regulations may define that, and he made a good point about how neonatal care should not necessarily relate only to time in a neonatal care unit. I think that regulations permit the broader aspect, but it would be helpful for the Minister to clarify that.

My contribution has come from a different angle from other colleagues. Perhaps it has been a passionless, emotionless contribution—[HON. MEMBERS: “Never!”]—uncharacteristically. Nevertheless, when we in this House pass measures, it is important that we bear this in mind, as we are doing today. I think we are all agreed that this measure passes the test of balance, particularly in relation to the Exchequer. I will come back with a different view on a later Bill, but, in closing, I congratulate the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East on this Bill.

10.42 am

David Johnston (Wantage) (Con): May I be the final Back-Bench Member to pay tribute to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) for getting his Bill to this stage? I also pay tribute to Bliss for all the brilliant work it has done not just in this area but on a whole range of campaigns relating to it. I am biased because I used to run charities, but they play such an important role in pushing us to understand and, in turn, legislate on issues that perhaps we would not think about in the daily rush of this place. It takes a lot of work, and it does not happen just like that. Those charities have to push for months and years—sometimes even longer. Bliss has done a brilliant job in this case.

I do not have children, but, as it happens, my little sister was seven weeks premature, so I have some sense of what a worrying, stressful time that is. I was old enough to feel that as a child, and it was much worse for

[David Johnston]

my mum and dad. As my sister came out that early—it had to be done in an emergency—she was in an incubator. She weighed 4 lb 4 oz. Everybody kept saying, “She weighs two bags of sugar.” I checked yesterday and that is correct—it is exactly two bags of sugar. During that time in the incubator, she ripped her breathing tube out at least twice. She did not have any sense of what she was doing, but she ripped out this vital thing that was trying to keep her alive and get her to a healthier position. She will not thank me for saying that that may have been an indication of the personality she was going to have as an adult—[*Laughter.*] No, we are very close. Although I do not have children, one does not need them to understand how completely obvious it is that this Bill is so important and why the hon. Gentleman has done such a good job.

In preparing for this debate, I read the statistic that in the Government’s consultation 99% of people supported the statutory leave and pay we are bringing in here. That is the sort of figure we hear from a dictator when they are giving themselves more power or installing themselves for life. They say, “Look, 99% of my people voted for me to be the leader forever.” I am happy to give way to anyone who has heard of anything like this before, but I have never heard of a Government consultation where 99% of people were in favour of something. That is why this move is such a no-brainer.

I was sad to read the study by Bliss about the parents who had got into financial difficulty as a result of this period in their lives. They had had money worries; often, they had taken on debt. It goes without saying that this situation has had an impact on mental health; I suspect the real figure is 100%, but 80% at least admitted that it had had an impact on their mental health. Although this measure is the morally right thing to do, we also have to see this from the point of view of employers. They are not going to get the best from someone who has a baby in neonatal care, because that is, of course, going to be their No.1 priority.

A bigger point is involved here: without this important Bill, debt and mental health issues would carry on for people as a result of these situations, and those two things have a big impact on people’s relationships and, in turn, the raising of their child. We know that when certain big things are going on in someone’s home they can create big conflicts and can lead to relationship breakdown. Just having debt and mental health issues in their house can affect a child’s development, as of course do things such as low birth weight. This Bill is therefore part of a broader approach that we have to take to the raising of children and the importance of parenting and of early years. Too often, this is one of these things we just leave people to get on with; the view is, “It will come naturally to you. We will just leave you.” We should be doing a range of things better to help parents in the early years with their children, right from birth.

So I am very pleased to support the Bill, which complements some of the other things the Government done on shared parental leave and so on. We know that we have further to go and that there are some big disparities in the care that certain families—ethnic minority families and those on low incomes—are receiving compared with others. Unfortunately, a couple of my constituents

have been affected by the issues at the Nottingham University Hospitals NHS Trust, which Donna Ockenden is currently looking at; sadly, they lost their daughter, Wynter. So we know we have huge disparities here, but in the Government’s women’s health strategy we have exactly the right ambition—we are not there yet—to try to make this country the best place to give birth in. This Bill is an important component in helping us try to get there.

10.49 am

Fleur Anderson (Putney) (Lab): I join the great queue of people congratulating the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) on bringing this hugely important private Member’s Bill forward today and on all the work he has done on it. I also congratulate all the hon. Members who are here to support it. I thank and congratulate Bliss, the charity Working Families and the all-party parliamentary group on premature and sick babies for all the work they have done to campaign for this legislation, which will help so many families across the country. With all the Members lining up to support the Bill, it begs the question as to why it has taken so long to get here, when it has been promised for many years. Labour is absolutely committed to supporting it and to extending statutory maternity and paternity leave. The need for it could not be more real or more acute.

As colleagues have noted, the Bill will bring in an entitlement to neonatal leave for both parents while a baby is receiving hospital care for parents who qualify for maternity, paternity or adoption leave. It will introduce an entitlement to neonatal pay for parents who meet minimum service and earning requirements. That means in practice that qualifying parents will be entitled to additional leave and pay if their baby spends at least seven days being cared for in a health setting—or other place, as has been outlined—before they reach 28 days of life. It will also mean that qualifying parents will be entitled to up to 12 weeks’ paid leave, and that leave will be taken after maternity, paternity, adoption and bereavement leave, and may be taken within 68 weeks of first admission to neonatal care.

I also welcome the employment protections in the Bill, including protection from dismissal or detriment as a result of having to take leave at this stressful time of a parent’s life. I remember my shock, after my third child was born, on being told that he would have to be taken into the special care baby unit. You just do not plan for that. Birth cannot really be planned—I do not know why women are asked to fill in a birth plan, but that is another issue—because what actually happens can change very rapidly. There is a moment when, instead of what you thought was going to happen—having family come around to visit your child and take them home—you are suddenly consumed with worry about what will happen. I am grateful to Members who have spoken about their own personal circumstances, especially my hon. Friend the Member for Pontypridd (Alex Davies-Jones), who has supported neonatal care leave ever since she was elected. Her story and that of her son Sulley shows the need for this legislation to enable parents to focus on care for their children and not to worry about whether they can take leave, if they will be paid or if even they will be dismissed.

The Bill will come as a huge relief for parents across the country. According to Bliss, the charity for babies born prematurely or ill, around 70% of families with a significant neonatal stay had at least one parent return to work while their baby was still in hospital. Bliss also found that 60% of fathers and non-birthing partners had to return to work while their baby was still receiving specialist neonatal care, and that 36% of dads resorted to being signed off sick in order to spend time with their baby on the neonatal unit. I think that is why the Bill is welcomed by businesses that are trying to get around that in other ways. This will be much more straightforward and clear for all concerned.

Some 24% of fathers said they were concerned for their job if they asked for more time off, 77% of parents felt their parental leave was not long enough, and half of all parents would have liked to take more parental leave but could not afford to take any more time off. Shockingly, 11% of parents left their jobs due to having insufficient leave after their baby was admitted to neonatal care. That is not good for them and not good for businesses either. Thankfully, many return home with their families after just a few days of care, but as we have heard, around 50,000 babies spend more than a week in neonatal care every year.

There is clinical evidence to suggest that babies in neonatal care have better outcomes when their parents are involved in providing hands-on or skin-to-skin care while they are in hospital. The neonatal environment is stressful, and parents need time to bond and adjust. Some babies will also have significant ongoing needs once they return home and may not be ready to be left in childcare by the time parents have to start work again. Yet every year thousands of parents have to return to work when their baby is still critically ill, relying on other family members, friends and support from elsewhere to enable them to continue their care and their work. Also, some babies will spend many weeks or months receiving care on the neonatal unit before they are well enough to go home. This means many parents use large amounts, or even all, of their leave entitlement before their baby goes home, and once they go home they have to face all that need for leave as well.

Many employers are understanding. As has been said, many do the right thing and follow best practice in this area, and the majority of businesses have shown support for making expectations for this leave clear and the ability for them to reclaim a percentage of statutory pay. The Bill will mean that parents will not have to rely on good will or the views of different managers, and they will not fear repercussions, because they can be assured of leave and protection from dismissal.

I want to end by asking the Minister a number of questions, while I have his attention here on a Friday morning. First, while it is welcome to see a number of private Members' Bills progressing workers' rights, does the Minister not believe that measures such as those we are discussing today would be best brought forward as a comprehensive employment Bill in this Parliament? It was announced in the Queen's Speech in December 2019 but has been missing in action ever since. Today we will discuss the Employment (Allocation of Tips) Bill. The Employment Relations (Flexible Working) Bill has already been supported, and the Carer's Leave Bill has been passed, but the Fertility Treatment (Employment

Rights) Bill remains a private Member's Bill. All these pieces of legislation and more could be addressed in one place, much more comprehensively and clearly: an employment Bill.

Secondly, legislation to improve workers' rights is vital, but without strong enforcement, unscrupulous employers will continue to break the law. Can the Minister update the House on what progress is being made on a single enforcement body for workers' rights, to protect against discrimination?

Thirdly, the absence of neonatal leave is just one barrier that expectant and new mothers face in the workplace. What steps are the Government taking to tackle discrimination in the workplace against women and ensure that no one is discriminated against for having a child?

Fourthly, maternal and paternal leave is critical to new parents, but the UK's statutory allowances and shared parental leave system leave much to be desired. Will the Government extend statutory maternity and paternity leave and urgently review the shared parental leave system, to give parents the time they need with their new baby? This is all part of the reason why the Bill has been brought forward.

It is often the trade unions that are on the frontline against unscrupulous employers, supporting parents and making sure they receive their rights—rights that are being extended today—but the thanks they get from this Government for protecting workers is a constant barrage of attack and some of the strictest trade union laws in Europe. I am proud to work alongside our unions. Will the Minister stop the Government's attempts to undermine trade unions, such as those we saw earlier this week?

Let me end by thanking the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East again for spearheading this fantastic piece of legislation. He and parents across the country can rest assured that it has the full support of the Labour party.

10.57 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): I thank the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) for all his work in bringing forward this very important legislation. It is a great honour to bring forward a private Member's Bill. I have been lucky enough to bring forward two: one on guardianship, and one that sadly has a connection with this Bill, on parental bereavement, of which the hon. Member was very supportive. It is not just a great honour; it is a great deal of work, and I pay tribute to him for all his work on this Bill over the last month. We often get asked when we bring forward new measures such as this, "Does not that exist already?" When we get that reaction, it is time we moved quickly to bring the legislation forward. I thank him and all Members who have spoken on this important matter today.

I also thank my predecessors. I have only been in this role a short time, which has been a common feature of small business Ministers over the last three months. Many of my predecessors have done hugely important work on this issue, not least my hon. Friends the Members for Sutton and Cheam (Paul Scully), for Loughborough (Jane Hunt) and for Watford (Dean Russell). I thank

[Kevin Hollinrake]

my hon. Friend the Member for Watford for his contribution today and his wholehearted support for this Bill and the next Bill that we will consider, the Employment (Allocation of Tips) Bill. I know he is keenly awaiting that debate, as is the Bill's promoter, my hon. Friend the Member for Ynys Môn (Virginia Crosbie). It is another important piece of legislation.

The Government are deeply committed, as I am, to ensuring that the UK is the best place in the world to work and grow a business. We need a strong and flexible labour market that supports participation and economic growth. The Neonatal Care (Leave and Pay) Bill will enable thousands of parents to care for and be with their children in neonatal care without worrying about whether their job is at risk. The Bill is supported across the House, and I was pleased to see that support reflected in today's debate.

I wish to put on record the Government's reasons for continuing to support the Bill, but let me first pick up a couple of points that hon. Members have raised. The shadow Minister—the hon. Member for Putney (Fleur Anderson)—and the hon. Member for Pontypridd (Alex Davies-Jones) spoke about other measures that we might take forward in the employment Bill or by other means. The hon. Member for Pontypridd spoke very movingly, for which I commend her, but I think she said that the Government were eroding workers' rights. I cannot think of anything further from the truth.

Let me set out some measures that the Government are taking, other than in this legislation. They are all measures for which I am responsible as a Business Minister: making flexible working a day one right, as we intend; allowing all workers a week of carer's leave; providing more protections for people who are pregnant or returning to work from pregnancy or paternity leave; the tips Bill—

Alex Davies-Jones: I am sorry, but I cannot sit here and listen to the Minister saying that his Government are not eroding workers' rights. They are literally bringing forward legislation to prevent workers from using their fundamental right to withhold their labour and go on strike. As any worker knows, that is the last armour that workers have to protect themselves. If the Government are not eroding workers' rights, what are they doing?

Kevin Hollinrake: We can have a good debate about this a week on Monday, but the Opposition parties seem to be arguing simultaneously that minimum service levels exist across Europe, that strikes are happening across Europe, and that the two things are incompatible. Clearly we are not taking away the right to strike: we know that nurses have voted to strike on 7 and 8 February. We are simply saying, "Yes, you can strike, but put a voluntary agreement in place to have minimum service levels," as the nurses do—a derogation, as they call it. The two things are not incompatible.

Mr Deputy Speaker (Sir Roger Gale): Order. With respect, this is the Neonatal Care (Leave and Pay) Bill.

Kevin Hollinrake: I do apologise, Mr Deputy Speaker. Several Members referred to the matter in this debate, so I felt I needed to address it, but under your instructions

I will move on. Other Government measures, of course, include increasing the national living wage to £10.42, which we shall do very shortly—so we have a number of measures to strengthen workers' rights rather than reducing them.

As the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East explained, an estimated 100,000 babies in the UK are admitted to neonatal care every year following birth, for a range of medical reasons. As my hon. Friend the Member for Cheadle (Mary Robinson) said, tens of thousands of children are in neonatal care for a week or longer, so the issue clearly affects many, many parents. In 2018, our study identified that 37,400 children were in neonatal care for more than a week after birth, so it is clearly a hugely important issue.

The United Kingdom has generous entitlements and protections designed to support employed parents to balance their family and work commitments and maintain their place in the labour market while raising their children. However, for parents who are in the worrying position of having their newborn admitted to neonatal care, it is clear that the current leave and pay entitlements do not provide adequate support. The Government consulted on the issue, and in March 2020 we committed to introducing a new entitlement to neonatal leave and pay. We are therefore pleased to support the Bill, which will bring that policy into effect.

As the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East set out, the Bill will provide a statutory leave entitlement that protects employees against any detriment. Many considerate employers provide that anyway, but the Bill will ensure that the minority who perhaps do not must do so in future. The Bill gives a day one right to leave to anyone with a child in neonatal care for seven full days of continuous care. It is a right to pay based upon continuity of service.

I will touch on some points made by Members, but I first thank my hon. Friend the Member for Thornbury and Yate (Luke Hall) for his work on this Bill. The issue was first introduced to the House in an Adjournment debate, which was responded to by my hon. Friend the Member for Sutton and Cheam. I know the hon. Member for Pontypridd has campaigned long and hard on this issue, as has the hon. Member for Glasgow East (David Linden), who chairs the all-party parliamentary group on premature and sick babies. We should pay tribute to all those people.

Many Members in this debate and previous debates have spoken about their personal experiences very movingly. I am the father of four children; our first child was in neonatal care, as he was very jaundiced when he was born. That is a massive worry for any parent. It is not just about the jaundice, as there can be other health implications including deafness. For the first child it is even more worrying. All those contributions resonated with me and, I am sure, others in the House.

The hon. Member for Cheadle rightly thanked the charity Bliss and other charities that support families through their difficult time. The hon. Member for Pontypridd also thanked the charity Bliss. She is vice-chair of the all-party parliamentary group on premature and sick babies. I thank her for her work on that. She directed the House's attention to her personal experience of this issue, as her son was born prematurely. I am grateful that her husband's employer was flexible.

My hon. Friend the Member for Watford showed huge empathy, as always, for parents who go through that experience. He has much experience with the issue, having been the Minister in the Bill Committee at one point. He emphasised the impact that having a premature or poorly baby has on parents' mental health. This Bill will massively help ease anxiety. The shadow Minister, the hon. Member for Putney, and the hon. Member for Pontypridd asked how long it has taken to introduce the Bill to the House. Legislation is never that speedy—only in emergency times, perhaps. This legislation was a 2019 manifesto commitment, and in 2020 we conducted a consultation. Clearly, there have been other issues that we have had to deal with over recent years, but we are keen to expedite this legislation and we are pleased to see it passing through its final stages in the House.

The shadow Minister also asked about a single enforcement body. We have this matter under review, but she can see that a tremendous amount of work is happening on other legislation that we are keen to bring forward. I am happy to have a conversation with the hon. Lady at any time about other measures that she would like us to implement. My hon. Friend the Member for North Devon (Selaine Saxby) emphasised how the Bill will benefit fathers and non-birthing partners, as they will have leave to spend time with their child in hospital. She spoke of the benefits to businesses, as they will be able to reclaim the money via HMRC and have less financial burden.

My hon. Friend the Member for North East Bedfordshire (Richard Fuller) raised interesting points, as always. I was pleased to hear him talking about the potential impact on business. It is right that we consider that. We ask businesses to do more and more for employees, quite rightly. Nevertheless, we should always consider the impact. He talked about the impact assessment, which states that the financial impact on business is estimated at around £22 million per annum. That is an insignificant amount, and it is right to consider that, but on balance is the right thing to do.

My hon. Friend questioned why it costs £5 million for HMRC to set up the entitlement. That is a good question. As he said, I do not look after HMRC directly, but I am told that they need to update their IT systems and support employers and payroll providers to do the same. This is a sizeable project that is primarily a matter for HMRC and the Treasury, so he may want to ask a Treasury Minister. He also asked about the assessment of legal risk if employers do not claim at the time but claim later. The regulations will specify how long an employee has to claim entitlements to leave and pay, but the Bill specifies that it cannot be less than 68 weeks after the birth of the child. When it comes to pay, there is a power in the Bill that could require someone to still be employed by the same employer when the claim for pay starts. We acknowledge the point that my hon. Friend makes and it will be considered carefully when the regulations are drafted.

Richard Fuller: The Minister has just alerted me to a question, although I do not expect him to have the answer to it right now: there may be a change of employment situation for the individual between the moment they had their child and when they make their claim. Can he ensure that the regulations are flexible enough for the right claim to be made at the right time

in the right way? More broadly, where there are statutory rights that individuals should claim, it should be easy for them to do it automatically. I do not know whether other hon. Members have the HMRC app—*[Interruption.]* No? They should get it; it is a really good idea. We should be moving to the principle that these are automatic things that individuals can control without having to go through a paper process. That is better for the individual, results in a higher proportion of claims and reduces the burdens on business, as well as ensuring they are more likely to be legally compliant.

Kevin Hollinrake: I am grateful to my hon. Friend for his comments and I agree we should make the process as easy as possible to ease the burden on businesses. That is certainly something we will look at within the regulations.

We will also look at the definition of neonatal in the regulations, but hospital and outreach care and, tragically—as hon. Members have said—perhaps palliative care would be the key areas. The hon. Member for East Dunbartonshire (Amy Callaghan) told the moving story of her friend Kirsty, whose daughter needed neonatal care. My hon. Friend the Member for Ynys Môn shared her own experiences of a child who spent time in neonatal care.

My hon. Friend the Member for Wantage (David Johnston) mentioned bags of sugar—I think bags of sugar are 2.2 lb each—and spoke about the other measures the Government are taking to improve workers' rights. My hon. Friend the Member for Clwyd South (Simon Baynes) also paid tribute to the Bliss charity's campaigning on this issue. My hon. Friend the Member for Sedgefield (Paul Howell), even without notes, spoke about the charity Leo's, named after a baby who tragically died.

Without further ado, the Government are supporting this Bill in line with our ongoing commitment to support workers and build a high-skilled, high-productivity, high-wage economy. It is good to see support in the House from across the political spectrum for this important measure, as is clear from this debate.

In conclusion, I thank civil servants who worked on the Bill: Rosie Edmonds, Tolu Odeleye, Roxana Bakharia, Abi Bridger, Bryan Halka, Jayne McCann and Cora Sweet, who is in the officials' box today. I look forward to continuing to work with the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East to support the passage of these measures.

Mr Deputy Speaker (Sir Roger Gale): With the leave of the House, I call Stuart C. McDonald to wind up the debate.

11.12 am

Stuart C. McDonald: With the leave of the House, may I first thank the Minister and the shadow Minister for confirming their ongoing support for the Bill? It really is appreciated. I too say a massive thank you to BEIS officials for their fantastic help throughout the process; while the broad principles of the Bill are quite clear and powerful, there is a lot of technical stuff involved as well and I am very grateful to them for their help.

More than anything, I am grateful to so many hon. Members from right across the House who have contributed in such a positive and powerful fashion. The personal is

[Stuart C. McDonald]

often the most powerful, and there were good examples of that today from the hon. Members for Pontypridd (Alex Davies-Jones), for Ynys Môn (Virginia Crosbie), and for Wantage (David Johnston). My hon. Friend the Member for East Dunbartonshire (Amy Callaghan) talked about Kirsty's experiences. The hon. Member for Sedgefield (Paul Howell) said he was waffling, but I thought he spoke powerfully about Leo's charity, so I thank him for that. I am struck by the number of hon. Members who have repeatedly been here to speak about this Bill, including the hon. Members for Cheadle (Mary Robinson) and for Watford (Dean Russell), so I thank them for doing so.

Some hon. Members raised additional points that I had neglected: the hon. Member for Clwyd South (Simon Baynes) spoke about neonatal staff, whom I also want to thank, having had the pleasure of visiting the neonatal unit in Wishaw, where the staff and the parents there at the time all spoke supportively about what this Bill would mean for them. He also made the point about the relatively limited expenditure this would entail for the Exchequer, something that the hon. Member—my hon. Friend—for North East Bedfordshire (Richard Fuller), also spoke about. He was very kind to me and scrutinised exactly what the Bill means, including the role of HMRC. If and when the Bill finally reaches the statute book, it will be all about pressing HMRC to get it up and running as fast as possible. The hon. Member for North Devon (Selaine Saxby) rightly drew our attention to some of the specific challenges for those living in rural areas, as well as to the problems encountered by fathers in particular, who often have to resort to using sick pay, which is in nobody's interest—theirs or the employer's.

Importantly, the hon. Member for Wantage (David Johnston) takes me on to thanking all the charities that have made the case over many years that has got us to this place, including Bliss, which has been mentioned several times and was a key driver in introducing me to the issue, and the Smallest Things, whose representatives are here today, which has also done fantastic work. I also thank Pregnant Then Screwed, Tommy's, Working Families, GRACE, the British Association of Perinatal Medicine, Sands, the Rainbow Trust Children's Charity, the all-party parliamentary group, which has been mentioned, the Chartered Institute of Personnel and Development, the TUC, Unison, NHS Lanarkshire, University Hospital Wishaw, Dr Michelle Weldon-Johns at Abertay University, and constituents and others from across the country who have been in touch with their own stories. They have made the powerful case that, hopefully, will get the Bill through the House of Commons today. I am also grateful to Baroness Wyld for agreeing to take it forward in the other place as it continues its journey, which I hope will get it on to the statute book in early course.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Employment (Allocation of Tips) Bill

Bill, not amended in the Public Bill Committee, considered.

Third Reading

11.16 am

Virginia Crosbie (Ynys Môn) (Con): I beg to move, That the Bill be now read a Third time.

I am glad that we have time to debate this important Bill. It has a simple message: to promote fairness and transparency to ensure that workers receive the tips that they earn. It will create a level playing field for businesses that are already passing on tips to workers fairly and transparently. It will create confidence for consumers, who will know that the full value of the tips that they give will go to the workers. I thank the Minister and the Government for supporting the Bill and I am delighted that it has Government and cross-party support on Third Reading.

I also thank the hon. Member for Watford (Dean Russell) for his work on the Bill; he has been instrumental in bringing this important legislation to the fore. The Bill would not be where it is today without his determination and hard work. When he asked whether I would take the Bill over from him, I was honoured. I have experienced first hand the importance of tips and, like many young people, I financed my sixth form and university studies by working in cafés and pubs.

My constituency is dependent on the hospitality and tourism sector, which is also one of the largest sectors in Wales. At a particularly difficult time, this is an opportunity to help and support those who work in the tourism and hospitality sector, which has one of the lowest hourly rates of pay. It is estimated that the Bill will benefit about 1 million workers in the sector with a financial benefit of about £200 a year. With the cost of living at the front of many people's minds, the Bill will help those workers who are wrongly not receiving the money that they are due from the tips that they have earned. In sectors such as hospitality and beauty services, customers recognise and reward good service and hard work through tips, gratuities and service charges, which I will refer to collectively as tips.

The customer expects 100% of the tips that they leave to go to the workers. We already know that that is happening in most businesses, where tips are passed on to staff in full, but some unscrupulous employers exploit staff by retaining some or even all of the tips that workers earn. That goes against the assumption of the large majority of customers that 100% of the tips that they give will end up in the pockets of the workers.

David Johnston (Wantage) (Con): My hon. Friend is absolutely right: customers expect 100% of tips to go to staff. Does she agree that people who work in hospitality will also make the assumption that any tips they get will be theirs, and that their wage, which may not be very high, will at least be supplemented by what they earn for their service?

Virginia Crosbie: My hon. Friend makes a very good point. People—particularly young people—who are looking for employment in the hospitality sector will look at it as a whole package when considering what it means for

them and whether they will be able to earn enough. Tips are a vital part of their calculation when they are looking at taking such roles.

Workers expect the tips that have been given in recognition of their hard work and good customer service to be given to them in full. The Bill promotes fairness for workers by creating a legal obligation to pass on tips to workers, in full, with no deductions other than in very limited circumstances such as those required under law. It will provide protection across all sectors, but focuses on changing employment law to bring increased protection for workers in industries in which tipping is common. An additional benefit of this legislation is the increased confidence that consumers will have that the tips they choose to leave in recognition of good service will actually go to the workers for whom they are intended, and are not unfairly pocketed by bosses.

In determining how to allocate tips fairly, the employer must have regard to the relevant provisions of the upcoming statutory code of practice, which will set out principles of fairness and transparency relating to tips. That code of practice is necessary to describe—in more detail than a Bill can—the different circumstances that are likely to be “fair” and “unfair”. A number of examples will be provided to illustrate what fair tipping practices look like. Those examples are not included in the Bill, as that could limit flexibility for employers. To issue a code of practice, the Secretary of State must consult the Advisory, Conciliation and Arbitration Service, and publish a draft to allow stakeholders to make representations, before laying the draft before both Houses of Parliament for approval. The code of practice will be statutory and have legal effect, meaning that it can be introduced as evidence to employment tribunals considering whether an employer is in breach of the legislation.

There is one main theme running through the core of the Bill: the creation of a legal obligation on employers to pass on tips in full to workers. Giving workers 100% of tips means that there can be no deductions from tips by an employer other than in the limited circumstances required or permitted by other law, including tax law. Prohibited deductions include, but are not limited to, card transaction fees and administration costs. Some employers may use a tronc system to help with distributing tips. Under that system, which is mostly used in the hospitality sector, an employer delegates the collection, allocation and distribution of tips to a person or persons known as “tronicmaster” or “tronic operator”. It is important that we retain flexibility for employers to choose how to distribute tips, as long as that distribution is fair.

Transparency is a crucial part of the Bill, and information plays a significant role. However the tips are allocated, the Bill provides workers with a new right to make a written request to access the relevant parts of their employer’s tipping records. That allows workers to seek redress if they are not being treated fairly by gathering evidence and bringing a claim to an employment tribunal where necessary. The Bill will be enforced by workers through the employment tribunal system, and provides employment tribunals with remedies for situations in which an employer has made deductions from tips or has not allocated tips in a fair and transparent way. Workers will be able to present to an employment tribunal complaints about an employer failing to comply with its obligations to allocate tips fairly or failing to do

so in time. The Bill also allows agency workers to present complaints. The limitation period for such complaints is 12 months.

Workers’ rights to bring forward such claims are at the core of the Bill because employment rights need to be underpinned by effective enforcement. The tribunal can make a range of orders, including orders requiring the employers to revise any allocation of tips that they have made or to make a payment to a worker of up to £5,000 in compensation for consequential financial loss. That will help those workers who have not been fairly treated when tips have been distributed.

The Bill will have a limited impact on employers who already handle tips fairly and transparently. It is not expected that there will be significant change or cost to business in complying with the new rules. Employers will still have flexibility on how to design their tipping policies, how to maintain records, and how they communicate their policies to workers. In addition, when workers request information, employers will have a period of four weeks to fulfil that request.

I will conclude by giving a final overview of the Bill. It sets out the right that tips should go to the workers who earn them, and that those tips should be distributed both fairly and with transparency.

Mary Robinson (Cheadle) (Con): I am grateful to my hon. Friend for giving way as she nears the end of her speech. She has made a very powerful case on behalf of workers who have been missing out on their tips up until now. I am keen for people to know about this Bill—workers, and also people like us who will go into a restaurant or a place to eat or to have a drink and ask, “Will you keep the tips?” Those people need to know for sure that the worker will be able to keep the tip, so a media campaign to support the Bill would be really helpful.

Virginia Crosbie: My hon. Friend makes a fantastic suggestion: it is incumbent on all of us and the sector to communicate the existence of the Bill. We have the likes of Kate Nicholls at UKHospitality supporting us, and the support of the unions; so many people are right behind the Bill, supporting those workers who play a vital role in such an important sector, so we will be seeing it communicated. As my hon. Friend the Member for Watford has previously stated, these Friday sittings are very special, and it is important that people know that in this House there has been an opportunity for us to put in place legislation that stands up for the rights of the workers.

As we are all aware, the process of taking a private Member’s Bill through the House is a fragile one, and I am thankful to all Members for working together to make sure that this Bill reaches its final reading in this House before progressing to the Lords. I take this opportunity to thank the Government again for supporting the Bill, especially Ministers at the Department for Business, Energy and Industrial Strategy, and I am grateful for the support of Members of this House while it has been moving through its stages—Second Reading, Committee, and now finally Third Reading. I firmly believe that the Bill gives us all a great opportunity to bring about real change, which will have an impact on workers who receive tips across all of our constituencies.

11.27 am

Matt Rodda (Reading East) (Lab): I commend the hon. Member for Ynys Môn (Virginia Crosbie)—I hope I have pronounced her constituency correctly—for her work on this very important issue, which affects hundreds of thousands of young people and many people on low incomes across the country. We appreciate her work, and I also pay tribute to the hon. Member for Watford (Dean Russell) and other Members from across the House, and indeed to the GMB for its excellent work on this issue. It has been campaigning on this matter for many, many years—possibly for 10, 15 or 20 years.

Briefly, I will point out how important this issue is for my own constituents in Reading and Woodley. Any large town has a huge number of pubs, bars and cafes, and the volume of tips is quite considerable. It is very important that people working in those establishments are able to benefit from those tips, and it was fascinating and very important to hear the point made earlier that the average benefit to workers on relatively modest incomes around the country is £200 a year. Given the current cost of living crisis, that is clearly a very valuable contribution to somebody's income, even if it is spread out over a long period of time. I am aware that some people in hospitality and similar sectors are among those who may have to resort to food banks to support themselves, so I hope the Bill will make a significant difference to those people's incomes over the coming year.

Finally, I once again thank the hon. Member for Ynys Môn for her work. I can clearly see that in areas with a large hospitality industry, such as coastal or tourist areas, this is a particularly important matter; I would add that it also matters a lot in towns with major shopping centres or university towns, such as Reading. It is important to us as well, and I thank the hon. Member and others from across the House for their work.

11.29 pm

Dean Russell (Watford) (Con): I stand here today as a very happy man, but not without a certain trepidation, as I know the fragility of the private Members' Bills process—even at this stage.

I begin by thanking the current Minister, the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), and those who came before me in my short period in the role, for making sure that the Bill is in front of us today and has Government support. I particularly thank my hon. Friend the Member for Ynys Môn (Virginia Crosbie) for her work. To reuse a phrase slightly incorrectly—but I think it is true in this case—she took the Bill by the horns and made sure that we took it forward in such a way that it got here today. The truth is that, when I was made a Minister and was looking for somebody to take over this private Member's Bill, I could not think of a better person in the UK, or potentially the world, to get behind it. I know how important hospitality is to her constituents and constituency. The power that she has used to get the Bill to this stage is incredible. As well as being an ambassador for the Bill, she has championed it to an extent that many would not have been able to achieve.

I will speak briefly about the purpose of the Bill and how it came about, because we need to recognise its importance. For many years, many of us have given tips in restaurants and similar, and as we hand over the money, put money in the tip jar or pay on a credit card machine, we often end the conversation by asking: "Are you sure you're going to get this? Will you and your team get this tip? That has become part of the national conversation whenever giving a tip. There is a lack of surety about whether the tip will reach the people who have been serving or cooking. This Bill will help put an end to that question. We will no longer need to ask it, and members of staff will no longer need to worry whether they will receive the tip.

The birth of this Bill was mentioned in the excellent previous speech. The measure is not something that I came up with; it has been gestating in government and society for many years. Last May, Quentin Letts wrote a typically humorous and well-written piece about how snollygosters in the machine often slow down good Government policy and stop really positive Bills going through, whereas other laws, including those to raise taxes—that is not a dig at anyone—go through much more quickly. This Bill has been in the system for many years. As a result of the private Members' Bills process, the work of Government and standing on the shoulders of giants, we are showing that when the right thing needs to be done, it does get done eventually.

The Bill's power lies in the fact that it provides surety. It will result in 100% of the tip going to the workers. The next issue is how it is then divided. After this Bill is enacted and the code of practice becomes law and the tribunal process is introduced, work will be undertaken to provide organisations with a bunch of scenarios that they can refer to in order to ensure that the tips are shared fairly. The word "fairness" is at the heart of the 100%. This is about fairness. This is about the money going to the right people—the people we have given it to—and it is about them knowing that they are getting it and that there is no room for manoeuvre. It is as simple as that—100%—and fairness is absolutely key.

This is not about topping up salaries. The Bill is very clear—this was part of the work in the early stages with the fantastic civil servants—that this is not about saying that organisations can suddenly reduce the minimum wage and use tips to top up people's salaries. A tip is a gratuity; it is a thank you, an addition. This is not about giving organisations the opportunity to treat as part of a salary. I totally appreciate that, for many who go into the hospitality sector, the tip is part of what they see as income, but it should never be used to replace a salary or to top it up. It should be a thank you, an addition and a bonus to help those who work in the sector.

I am passionate about this private Member's Bill, although it was my second attempt at promoting it. In Watford we have some fantastic hospitality organisations. We have new businesses such as The Beech House, along with older establishments such as Tarboush, L'Artista, the Essex Arms, Rhubarb Cafe and many others that I could list, but they all have a common thread. They all rely on people to come and work in those places—to work in hospitality, to wait on tables and to cook—and they also rely on customers knowing that they are going to have a fantastic experience and be grateful enough to want to give a tip at the end.

What I found during the pandemic was fascinating. We noticed that none of the places we went to, in my role as an MP and as someone who lives in Watford, was taking cash; or rather, most places were not. Increasingly, payment was by credit card. Again, the question was: what does that 12.5% service charge actually mean? Does it go to staff, or is it just for businesses to make a bit more money? In most places, most people we spoke to could not really give an answer. What is it actually for? Do we then give a tip on top of the credit card charge, or not? This Bill will make it absolutely clear. If it is a service charge, tip or gratuity, it will go to the staff.

I have heard people ask whether this change will create an extra burden for businesses—the word “burden” has been used a lot this week in debates on legislation affecting business. Actually, it will not be a burden for businesses. Most businesses do the right thing. Most businesses give the tips to their staff, and that is absolutely part of what they do, because many people in hospitality grew up working in the industry, will have had tips in the past and will therefore know how important it is for their staff to keep them. But there are a few businesses—including, sadly, from reports I have read, some large franchises—that do not make sure that their staff get those tips.

The vast majority of good businesses that pass on tips see this as a positive, not an extra burden, because they see that it creates a level playing field. Those businesses will know that other organisations cannot make extra profit out of the back pockets or wallets of the people who work for them. Not only is that utterly wrong, but it changes and games the system towards those engaged in bad practice versus those who do the right thing. Again, that is another important aspect of fairness in this Bill.

I will not talk for too long, even though I would love to talk for hours. There have been many ups and downs—at times I have felt my heart beating and thought, “Are we going to get this through? Is it going to actually happen?” I want to speak for as short a time as possible, to make sure we can hopefully pass the Bill on to the Lords, but I would like finally to make a point about workers’ rights. At the heart of this is workers’ rights and the young people in society, many of whom work in hospitality. But it is also about this place coming together. I always think that Friday debates are perhaps the most powerful, because we are all usually in some form of agreement, and the point-scoring party politics stays out of it. We have seen that with this Bill. As it has passed through this place, we have seen Members coming together, many of whom worked in hospitality when they were younger, have had experience of it, or have businesses in their own patch whose staff receive tips and gratuities.

If we can get the Bill through today—I urge all colleagues and the other place to please support it—it will make a difference to so many people. Not only will it make a difference to the million that have been quoted, to their friends and families, to the industry in its efforts to get more people to want to work or stay in it, and to businesses by ensuring that they are working on a level playing field; it will also show that, while it does sometimes take time to get legislation through this place, while it does sometimes get utterly frustrating

and while, as Quentin Letts pointed out, it does sometimes look like the snollygosters might be winning, eventually one does get to the right place.

If we can get this through today, I will be really pleased, but so will society. I say thank you to the Ministers, thank you to the fantastic civil servants and a huge thank you to my hon. Friend the Member for Ynys Môn for the work that she has done.

11.39 am

Mary Robinson (Cheadle) (Con): It is a pleasure to follow my hon. Friend the Member for Watford (Dean Russell), who has been such a pivotal architect of this Bill. I congratulate my hon. Friend the Member for Ynys Môn (Virginia Crosbie) on taking this Bill on and getting it to this stage, and on being such a powerful advocate for it and for the people who will benefit from it. I also wish to recognise the work of my hon. Friend the Member for Watford, who had originally introduced the Bill to the House; a lot of this work was done previously by him as well, and this really has been a great double act. I was pleased to support the Bill on Second Reading and through its Committee stage.

The Bill supports our Government’s commitment to ensuring fairness for workers by ensuring that tips are fairly distributed. Although many good employers ensure that staff receive their fair share of tips and are open about that sharing, we know that that is not always the case. As I have previously mentioned in the House, many constituents got in touch with me about this, reporting that they had as much as 15% of their tips removed from their pay packet. Often, they simply were not aware of how much was being taken away from their pay packet, because often customers leave a tip on a card. Whether customers leave a tip and how much they leave is determined in large part by the quality of service provided, and we want to be assured that these tips go to the person who provided that service. As has been said, this is not a part of their wage; it is an extra, a thank you, a recognition for the service. Many customers will not give a tip, or they will give a lower tip, if the service they get is not that great. People want to know that whatever they give goes to the person who has given them the service in the first place.

As has been mentioned, many people are concerned about how they go about leaving a tip; they wonder whether they should leave cash. When they have had a great meal or great service, is it better to give the person cash? We all rightly ask, “Will you get this in full?” Many people will just add the tip on to their card payment when the bill comes; this has become commonplace, and indeed I am astounded by how few people now carry cash around in their pockets. Many people are understandably distrustful whether a tip left by card will reach the intended employee in full. Indeed, my hon. Friend the Member for Watford noted on Second Reading that there is no guarantee that the person or team they gave it to will receive it. For employees, tips by card are less visible and they are difficult to track or claim.

That is the world we are in and so navigating it and making things work is part of our job. This Bill will put an end to these concerns, by amending the Employment Rights Act 1996 to place a legal obligation on employers to ensure not only that tips, gratuities and service charges

[Mary Robinson]

are distributed to staff, but that that is done in full, without deductions, when these things are being distributed by the employer or via a tronc system. An interesting point was raised by my hon. Friend when he talked about the system by which these tips are distributed: what does that “12.5% service charge” really mean? Where is it going to go? Perhaps we should put into the minds of the hospitality industry the idea that they should set out whether they are running a tronc system and note, next to where the “12.5% service charge” is specified, “This will be distributed and given directly to the people who have provided the service to you today.”

As has been mentioned, we know that covid was a difficult time for the hospitality businesses, but many of them have bounced back well. Some in my constituency have even flourished. That is often in large part due to members of staff providing great service, combined with the loyalty of their customers. Tips help to show workers that their good service is valued and appreciated, and customers should be able to show this appreciation with confidence. Although we should not need a law that obliges employers to allocate all tips, gratuities and service charges without deductions, sadly it is very clear that we do.

We have not yet spoken in detail about the other areas where the Bill will apply, such as the beauty industry. This is often an overlooked area. We tend to talk about tips and tipping from the point of view of hospitality, restaurants, pubs and bars, but many people who work in nail bars and other venues are left tips. It is great to know that they will keep their tips, too. I encourage the Minister to back up the Bill with sound outreach for media coverage.

I welcome this Bill. I congratulate my hon. Friend the Member for Ynys Môn on moving Third Reading, as the Bill will make a welcome change. I hope and believe it will receive cross-party support.

11.45 am

David Johnston (Wantage) (Con): Like many people, I was surprised to discover that tips are not being passed on. I think our understanding has always been that we pay the money on a restaurant menu for the food, and any additional money we leave is for the service. We have all given particularly generous tips for very good service, and I dare say we may have given a not so good tip, or maybe no tip, for particularly bad service, although never in our constituencies, obviously—there would never be bad service in my constituency, I hasten to add.

It sticks in the craw to think that a person may have worked so hard and received no benefit for that hard work, and that the tip would just be taken by the business owner. There are particular peak periods, such as Christmas, when the amount earned in tips can be a vital boost to a person's income for that month, and maybe even for that year.

Simon Baynes (Clwyd South) (Con): My hon. Friend is surprised that this is an issue. Has he or anyone he knows come across the difficult question of whether to tip by credit card or in cash? If the tip goes on the credit card, it is perhaps less likely to go to the employee. Has he given a great deal of thought to that issue?

David Johnston: I am grateful to my hon. Friend for his intervention. I was concerned that he was going to ask how much I leave in tips. Obviously, I am a very generous tipper.

Richard Fuller (North East Bedfordshire) (Con): I am intrigued by my hon. Friend's use of the word “generous.” In percentage terms, what does he consider to be a generous tip?

David Johnston: I am even more grateful to my hon. Friend for asking that question. I am probably not quite as generous as they are in the US, where a 25% or 30% tip is now sometimes recommended on the bill. I would always err on the side of giving a good tip, even for average service, and an even better tip for exceptional service.

Dean Russell: I have been asked, as I am sure my hon. Friend has, whether the Bill will move us towards the US model of tipping. As I said earlier, it is important to note that this is not about making tips part of the salary. We want workers to have good salaries, and the minimum wage has been increased again. Tips are a top-up. They are an additional gratuity to say “thank you,” rather than being part of the salary. That has come up a few times.

David Johnston: My hon. Friend makes a couple of important points. On his first point about the US, it was a particularly bad practice when employers were using tips to try to meet the minimum wage. We have made great strides in increasing the national living wage in recent years. I think it has now hit £10.40; the Minister can correct me if I am wrong, but I believe it is at least £10. That is particularly important. If we went into a restaurant and bought a pizza for £10, and the member of staff said when we paid, “I'm going to take £2 of that £10 for the pizza and keep it for myself,” there would be outrage. There would be outrage about the reverse situation, and it is right that we should feel offended on behalf of staff who are working hard for these tips and not getting them.

My hon. Friend the Member for Cheadle (Mary Robinson) is right: this is not just about hospitality. She made an important point about nail bars, hairdressers and lots of other places that I have many of in my constituency, but I realise that this is, in large part, about hospitality. My constituency has a lot of hospitality venues—pubs, for example. There are only seven MPs who have more pubs in their constituency than I do. I have been trying to get around them all, and I am doing pretty well.

The hospitality industry is vital for the UK economy, and particularly for younger workers, ethnic minority workers and part-time workers. It is a very accessible industry for people to get their foot on the ladder and get some important skills. It is hard work, often involving someone being on their feet all day, in difficult conditions, and dealing with difficult customers. It might involve long hours. It is vital, and it is hard. People get good skills, and they should get all their tips.

It is a small minority of employers who are doing this. Most employers will feel, as we do, that staff should be given the tips for the work they have done. That small minority of employers are shooting themselves

in the foot in many ways, because where an employee has a choice between different employers—of course, they do not always—the chances are that they will pick the one that will let them keep their tips. That is a perfectly logical decision to make, and it is probably the decision I would make. As we discussed earlier, just as the customer expects a tip to go to the staff, the staff think, “That wage may not be very high, but I’ll be able to earn more in tips.”

This debate reminds me of two other things that are relevant to the passage of this legislation. The first is unpaid internships. The hope with this Bill was that employers would not wait for it to take effect but would start to change their practices before the statutory code came into effect, because the attention on this issue would make those practices socially unacceptable. I hope that that has happened. This reminds me of unpaid internships, which have unfortunately been rife in the UK. They have also been rife in this place, by the way. One reason why we were slow at first to make progress on getting rid of unpaid internships was that the two groups we often need for campaigns use them a lot: politicians and the media. Both are usually very important for campaigns on issues, and both were using a lot of unpaid internships.

When we look across our professions—media, fashion and many others—we find people working for no money. Their employers would say that they were providing a great opportunity, because people in those positions were getting skills that they would need later in the workplace, but the fact is that someone needs a number of things to let them do an unpaid internship. As internships are concentrated in London, interns usually need to move there and will need accommodation. While they are doing work for their employer, they will need money from somewhere, so they will either be working two jobs—one paid for and one not—or, as has often happened, be from the wealthiest families, who can support their children by supplementing those internships. Those internships then lead to jobs, and those jobs look unrepresentative of the country of a whole because of who gets into them.

Again, it is a small proportion of employers doing those things, but as we have shone a light on the issue with the Bill, making it clear that it is not acceptable for employers to be taking their staff’s tips, we would hope that employers have already started to change their practices. None the less, the Bill is important, and I am glad that it is being brought in.

The second issue that I am reminded of is access to cash, which, as Members have touched on, is currently a big challenge. We have banks closing branches all over the country, we have cashpoints disappearing, and we have an assumption that everybody wants to do everything by card or online. I get quite a number of constituents writing to me—I am sure that we all do—who are really concerned about that. They really like to be able to use cash, they worry that it will disappear and they do not know what they will do about it.

That is relevant to the Bill because we have heard the odd voice in the hospitality industry saying that the Bill is not a good thing because there are cost pressures on the hospitality industry at the moment and that, when people pay on card, the business incurs fees for those transactions, so it is not right to let all of the money go to the staff. Their basic argument is, “They might tip on

card. I am paying money for that charge, and you’re saying that I have to give the entire thing to the staff.” I am hugely sympathetic to the hospitality industry in lots of ways, but I am afraid that I am not sympathetic to that particular point. However, it does relate to access to cash.

By the way, we could all do a better job of carrying cash. There is a national issue of how we ensure that people who need cash always have access to it. However, on the point made by my hon. Friend the Member for Watford (Dean Russell) about whether I need to have cash to ensure that somebody will get their tip, the answer, as a result of the Bill, is no, but, none the less, they might appreciate it.

I am afraid that I really do not agree with places that have become card-only. I accept that it may be simpler for some people to pay by card—particularly younger generations, although I do not want to make an age-related comment because I know of plenty of people in their 70s and 80s who like using contactless—but we could all do a better job of carrying cash so that tips could be paid and received in it.

One way or the other, this is a hugely important Bill. I congratulate my hon. Friend the Member for Ynys Môn (Virginia Crosbie) as well as my hon. Friend the Member for Watford on the work that he did before on the Bill. Although we are talking about a small minority, we are doing an important thing to ensure that people are rewarded for the effort that they put in.

11.58 pm

Selaine Saxby (North Devon) (Con): It is a pleasure to follow my hon. Friend the Member for Wantage (David Johnston), who made many important points. I pay thanks to my hon. Friends the Members for Ynys Môn (Virginia Crosbie) and for Watford (Dean Russell) for their Bill relay to get us to this point and for the work that has gone on behind the scenes. I welcome the Bill’s progress through the House.

Along with many others, I am disappointed by reports of companies keeping tips or portions of tips for themselves instead of passing them on to their staff as they should. I am confident that this will be a welcome piece of legislation for the 19% of people in North Devon employed by the hospitality sector.

North Devon is home to fantastic hospitality businesses. Each year, we welcome over 6 million visitors who come to enjoy our beautiful coastline and countryside. We love visitors coming to our area, and take pride in showing off our stunning scenery, beaches and delicious local produce. The hospitality sector is vital to our local economy, bringing in £560 million a year and supporting 11,100 local jobs—in fact, it is difficult to find a business that is not in some way reliant on tourism. The hospitality sector is key in enabling residents of North Devon to benefit financially from our visitors, and subsequently protect our world-class natural environment. Without functioning businesses, from our brilliant Brend Hotels to the Lynmouth Bay Café and the Glorious Oyster in Instow, as well as all the other fantastic hospitality businesses in North Devon that I do not have time to mention today, it would be unfeasible for our communities to continue protecting our natural world. The hospitality sector is working hard to ensure that North Devon remains a world-class destination.

[Selaine Saxby]

Reliable staffing is key to a successful hospitality business, and the majority of businesses in the hospitality sector support their staff by distributing any tips appropriately. However, median hourly pay in hospitality is the lowest of all sectors in the UK. It is estimated that the average daily value of tips is £29 outside of London for a full-time worker, which adds up to roughly £6,500 a year. That pay is crucial to many, and in popular areas such as mine, it is a welcome addition for people facing higher house prices and rents as a result of North Devon's popularity as a tourism destination, which is driving our current housing crisis. It is also unfair to other hospitality businesses, especially at a time of rising energy and food costs, that some unscrupulous operators are able to gain a competitive advantage by keeping a portion of tips or service charges for the business, rather than giving them to the staff, as customers clearly intended.

Given the rise of automatically added 12.5% service charges, the Bill brings welcome clarification that tips are for the staff, not the business. Tips are there to thank staff for their top-quality service; it is important that conscientious waiters, bartenders and chefs, and everyone who works to put delicious food and drinks in front of us, are recognised. Customers are quite rightly horrified at reports of businesses taking that money for themselves. The decline of cash has also made it easier for businesses to claim tip money as their own. As more people use cards for the majority of their transactions, tips are tied into the same receipt and have to be processed either at the till, or as part of regular accounts. Unlike with cash, cards take tips away from the staff on the floor and reduce transparency. Even this week, in what I had previously considered a reputable pizza chain near this House, a waiter asked for a cash tip.

As I have already said, hospitality is essential to our economy back home in North Devon, and unfortunately, many hospitality businesses are struggling to find staff. That has significant knock-on effects on the level of service businesses can provide and, ultimately, how much money they can make. Making jobs in hospitality more attractive is vital to my local businesses, and protecting workers' rights to the tips left by customers will make the sector a more viable option. I welcome the Bill and the reassurance it gives to people working in the hospitality sector, and hope it will encourage more people to enter that vital sector. I once again thank my hon. Friends the Members for Watford and for Ynys Môn, and I am delighted to be supporting this Bill today.

12.3 pm

Paul Howell (Sedgefield) (Con): I thank my hon. Friend the Member for Ynys Môn (Virginia Crosbie) for tabling the Bill, and my hon. Friend the Member for Watford (Dean Russell) for all the tremendous work that was done beforehand. As has been said several times already, this is such an important issue, and it is delightful that my hon. Friend the Member for Watford has been able to put in the time and commitment to get the Bill to the stage it is now at—I hope his heart can stop fluttering soon. Of course, it is always a pleasure to follow my hon. Friend the Member for North Devon (Selaine Saxby).

I said in relation to the previous Bill that I did not have much experience, but I have a little bit more experience of this one. My constituency of Sedgefield is 240 square miles, and contains a significant number of pubs, restaurants and hotels. I do not, unfortunately, have a great deal of awareness—apart from the odd visit—of nail bars or what the quality of service is there; I have had some engagement with the teams, maybe, but that is about as far as I have taken it.

It is fair to say that anyone paying a service charge, or giving a tip, as we would normally call it, expects it to go to the staff, but it is important in this discussion to understand who the staff are. In a multinational hotel chain, the owners are clearly distant, but in a lot of pubs and small restaurants the staff may be the owners. There is some differentiation, in that there could be one person in the family who owns it, and maybe he or she should not be getting the tips, but the other could be working behind the bar or serving the food, and clearly the distribution model—however we make it up—must be fair to them as well.

Certainly, a number of pubs either start as or evolve into quasi-restaurants because the owner is the chef. They have put the effort into the kitchen and they are providing the service of food. When we look at what generates a tip, particularly in a food environment, there are two clear dimensions: the quality of the food and the person-to-person service and delivery. It is important that all of that is considered.

Dean Russell: One key component of the Bill, assuming that we get it through today and the Lords agree with us, will be the code of practice, which will effectively set out a 12-week consultation—I believe it is 12 weeks, unless things have changed—with the hospitality industry and more broadly to ensure that there are scenarios that are practicable and work in reality for organisations and staff. Those scenarios can be referred to in tribunals, should things get to that point, but, hopefully, they will give many approaches for businesses, even before the Bill becomes law, to say, “This is the right way to do it.” The Bill does not try to offer a one-size-fits-all model; it is about making sure it works, but at its heart is fairness. If the tip is for the people who have served and cooked wonderful food, then fairness within that organisation means ensuring that that tip is shared fairly across them all, and they can refer to the code of practice as part of that.

Paul Howell: I thank my hon. Friend for his very valuable clarification of the direction of travel we hope the Bill will proceed in.

The point was made earlier that the Bill is about making sure people are fairly paid. We have seen in the past people trying to incorporate the tips as part of the justification for a minimum wage. That is wholly inappropriate and I think that is one of the drivers for this Bill, which reinforces the position that people can ensure they get the appropriate pay on their payslip for their work, with tips being a separate scenario that can be discussed and followed through.

We must factor in a number of considerations about where organisations have got to. I do not think many sectors of our economy have been harder hit than hospitality over the last few years, first by covid and then by subsequent problems with labour. That puts

pressures on business, and unfortunately some businesses take a step to the side of where their morals should be. This Bill will help to give clarity to that space, so it is absolutely clear that the tips belong on one side of the equation and we do not have a situation, as was mentioned earlier, where businesses are competing with each other, but one is taking the tips and putting it into the profit pot—or the cost-covering pot—and the other is doing the right thing and passing those moneys on to where they belong.

To come back to the point about cash-only or contactless-only methods of payment, another benefit of the Bill is that it provides clarity. The method of payment should not influence whether somebody gets a tip. We have all been to organisations—not in my constituency, as my hon. Friend the Member for Wantage (David Johnston) said; it must have been when I was travelling—that say “card payment only” or “cash payment only”. When a customer walks into an organisation where that direction is given, it makes them think that there is an ulterior motive. Does the organisation want cash so that it does not always go through the books? Does the organisation want contactless so that it has control over all the tips? Those are the two extremes, and both thought processes are probably unfounded in most organisations, but it puts doubt into the customer’s mind as to an organisation’s motives. The Bill will hopefully take that uncertainty away from the customer, so they know that the right thing is being done and the whole tips agenda has no impact.

Many typically small organisations are affected by this issue, so the aggregate number of people involved is incredible; I understand that up to 1 million people could benefit from it and the stats imply that they could get about £200 a year each. That is a significant amount but as my hon. Friend said, I like to think that I tip people reasonably, so I would have thought that they would get significantly more than £200 in the year. There could easily be a significant benefit for the people who are providing excellent services in our organisations, so I commend the progress of the Bill.

My hon. Friend also said that he had tried to go to as many pubs and other places in his constituency as he could, as I do. I hope the House will excuse a slight digression on this, but sometimes that has unintended consequences. I do not think that I am a particularly heavy drinker, but when I go out, I have a couple of beers from time to time. Hon. Members may have seen the “Love Your Liver” campaign in the House earlier this week. I called in and I am now going to my GP, because apparently I need to be checked out. When people go out, they should be aware of the impact on their health, because they would not necessarily know—I do not think there is anything wrong with me, but a scan tells me that there could be, so I need to check it out. I apologise for the digression, but it seemed appropriate to put a shout out for the health agenda.

I appreciate the Bill’s intention, because it is about fairness and it takes away the need for concern and gives employees the legal right to go back and check, if necessary. I endorse the earlier point about the potential for publicising it to make sure that staff and employers are aware that there is a now a line in the sand that has a legal footprint behind it, and it is not just best practice. Of course, best practice attracts the best staff who will attract customers.

Anybody who has worked in any organisation—any manufacturing, trading or sales business—knows one thing above all else: the easiest customers are the repeat customers. If a business can repeat its customers, it will be more successful and sustainable. Why do customers come back? As I said, it is because of the quality of the product, typically food or drink in this context, and the quality of the service. If businesses look after their staff, pay them correctly and allow them to keep the tips that they have earned, they will have a more successful business. I commend the Bill to the House.

12.14 pm

Simon Baynes (Clwyd South) (Con): It is a pleasure to follow my hon. Friend the Member for Sedgefield (Paul Howell), and I, too, pay tribute to my fellow Welsh Conservative Member of Parliament, my hon. Friend the Member for Ynys Môn (Virginia Crosbie), and to my hon. Friend the Member for Watford (Dean Russell). As was mentioned during the previous debate, a huge amount of work goes into private Members’ Bills, but I know that both my colleagues are extremely hard-working and intelligent people, so it is no surprise to me that they produced this Bill in a timely fashion and in very good shape.

I grew up in the hospitality industry. My father ran Lake Vyrnwy hotel in Wales, which is only a few miles south of my constituency. Along with my brothers, I used to work for my father in the holidays, and I have just been trying to cast my mind back to the wage that we were paid. I think—and this is a measure of how old I am—that it was 20p an hour, which in those days was actually a very good rate for a teenager.

Richard Fuller: Was that old or new money?

Simon Baynes: Just in new money! It was 20p, not 20d.

That is why the hospitality industry is always of huge interest to me, not only in my life in general but, in particular, in my capacity as Member of Parliament for Clwyd South. My hon. Friend the Member for Wantage (David Johnston) said that this was not just about the hospitality industry, and I fully appreciate that, but hospitality is the key sector when we come to consider the Bill.

Clwyd South—like Ynys Môn—is an area full of tourism and hospitality businesses. Indeed, at exactly this time a week ago I was visiting Tyn Dwr Hall hotel, a wedding venue in my constituency just outside Llangollen, and talking to Tracey Owen, who runs the business and whose family own it. One of the points that came up in that discussion—and this, too, has been touched on by other Members today—was the vital importance of bringing young people into the hospitality industry. As I remember from my experience many years ago, hospitality is a wonderful training ground for young people, enabling them to learn a skill and also to learn some discipline in terms of turning up for work on time, doing a job properly and so on. Many hospitality businesses, of which Tyn Dwr Hall is a good example, go out of their way to bring in young people such as sixth-formers to do holiday work and learn a skill.

There are many other such businesses in my constituency, such as Iscoyd Park, another wedding venue; the Sun Trevor, a very popular pub; the Hand Hotel in Chirk,

[Simon Baynes]

and, also in Chirk, Caffi Wylfa, a social enterprise-run café; The Hand at Llanarmon; The Boat at Erbistock; the Corn Mill in Llangollen; Gales Wine Bar, famously often frequented by a former Prime Minister, my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), when he was the parliamentary candidate for Clwyd South back in 1997; and the Three Eagles, the Chainbridge hotel and the Wild Pheasant, all in Llangollen. There are many more I could mention, and it is probably invidious to pick out some and not speak of all, but those are just a few that spring to mind: they are businesses that I have visited and know well.

When I visited the Wild Pheasant, the staff made that point about recruiting young people into the industry. When Brexit brought changes to the employment market, it offered opportunities to people who might not previously have gone out to work at a young age in quite the way they are now, and also turbocharged those businesses to get out there, bring people in, train them up, and give them a good job. I think that that is an important background to the debate, because, as has been mentioned by many Members, it is the younger people who are often serving in hospitality businesses and are therefore the focus of the Bill.

Like my hon. Friend the Member for Wantage, I was pretty astonished that there are currently no laws directly concerning the distribution of tips as between employers and their workers. Tips and gratuities paid directly to the employer are presently the legal property of the employer, as are all service charges. It is worth repeating that, because it is pretty extraordinary. It makes the Bill all the more important.

Retention of tips is a very complicated issue. Like other hon. Members present, I would not say that there is a particular problem in my constituency, but my elder daughter has been working in hospitality in various places in London, having studied international hospitality management at university, and she says that the problem is rife in restaurants and so on. There is an idea that this is a limited problem, but that is probably not the case, which is another reason why the Bill is so important. The National Minimum Wage Regulations 1999 (Amendment) Regulations 2009 included a provision stating that tips could no longer be used to make up the national minimum wage, but they did not address the wider issue of unfair retention and distribution.

I strongly support the purpose of the Bill, which is

“to create a legal obligation on employers across sectors to allocate all tips, gratuities and service charges”

in the way that has been described. Another key point is how tips are distributed: the Bill intends

“to increase fairness for employers who already allocate all tips to workers by ensuring that all employers follow the same rules and by preventing a return to further unfair tipping practices in the future.”

Yes, we can hand tips to employees, but if we do not make distribution among employees fair, we will still not have fully solved the problem. Employers will therefore be required

“to have regard to a statutory code of practice...when complying with their obligation to allocate tips fairly.”

That is vital.

I note two other points from experts in the industry. Michael Kill, CEO of the Night Time Industries Association, has said:

“At a time when the hospitality industry is dealing with record vacancy levels, attracting people into work in hospitality businesses is already difficult enough. Taking tips off staff at a time when the cost of living is going up...the potential external economic pressures on our staff need to be considered.”

That is a fundamental point.

Kate Nicholls, chief executive of the industry body UKHospitality, is known to many Members of this House. She does a fantastic job as an ambassador for the hospitality industry. I pay tribute to her: during the covid pandemic, she did more than perhaps any other representative of the hospitality industry to bring its concerns to the Government, with fruitful results. She has urged the Government to work closely with businesses and employees to make the system work for all as venues face mounting costs:

“For hospitality businesses...customers tipping with a card incurs bank charges for the business, and many also employ external partners to ensure tips are fairly distributed among staff”.

That is an important balancing point that we need to consider.

As somebody who was born and bred in the hotel business, I have nothing but support for this tremendous Bill. I commend it to the House.

12.24 pm

James Grundy (Leigh) (Con): I commend my hon. Friends the Members for Ynys Môn (Virginia Crosbie) and for Watford (Dean Russell) for their work on this important Bill.

It is a pleasure to follow my hon. Friend the Member for Clwyd South (Simon Baynes), who made an excellent speech. On a previous sitting Friday, I mentioned my grandmother, who was from Chirk in his constituency, and ironically, it was in that part of the world that I learned, approximately 40 years ago, what a tip was. We regularly went on holiday to Llandudno, a lovely seaside town. We were once in the tearooms close to the seafront, and my grandmother had left a 50 pence piece on the side of her teacup. I asked, “What are you doing, Grandma?” She said, “Well, this is what is known as a tip.” I was about five years old at the time, and I asked, “What’s a tip?” And she said to me, “It’s a token of thanks to the member of staff who served you. It is not a payment for the services or the food you’ve been provided with. You are thanking them for going above and beyond in the service they’ve given you.” It is tremendously important to recognise that.

As many colleagues have said—of course, this is bound up with respect for the minimum wage—tips are not there to make up wages or for other purposes. As I have said before, tips are a token of thanks, not a means of making up income. It is important to recognise that that is an entirely separate matter. I have always felt that about industries in which people receive tips.

My hon. Friend the Member for Wantage (David Johnston) said it well about America. I still remember, as will many Members, the “Reservoir Dogs” scene in which one of the main characters—one of the Misters—is asked to give a tip in a café. He quite famously says, “I don’t tip”, and there is a huge argument around the

table about the culture of tipping in America. They say, “If you don’t tip then how are these waitresses going to manage? How is this fair?” I always thought that an unusual scene because, at the time that film came out, people basically felt that tips should go to the staff, but they would have considered the idea that tips were needed to make up wages pretty unpleasant.

Of course, that is why British people who go to America are regarded as absolutely terrible tippers. We do not see it as a means of making up wages, but as a token. In America, I believe that the bare minimum one should consider tipping is 10%, although I could be wrong.

David Johnston: It is 15%.

James Grundy: I thank my hon. Friend for clarifying that. I am afraid that I have never been to America, but I hope to have the opportunity to go.

As my hon. Friend the Member for Watford said, there is a difference between a tip and a service charge. It is important to consider them slightly differently. The main reason is that a tip is often voluntary, and if we feel that we have received bad service, we will simply not leave one. A tip is given to the individual who served us for their particular service—a token of thanks to them individually—whereas a service charge is, or should be, as my hon. Friend said, disbursed to the staff as a whole. Sometimes a service charge is not voluntary but appears on the bill, so it is not a personal choice. A distinction should be made on that.

Let me talk briefly about something that we have not mentioned. My hon. Friend the Member for Watford has said that further work will be done, so I hope that this will be given some consideration: any potential taxation of tips should be different from taxation of service charges. Tips are effectively gifts, which are taxed differently, so they should be considered in a slightly different manner from service charges. I realise that that is a slightly esoteric point—perhaps so esoteric that it may not have been considered in this debate or during the drafting of the provisions.

Dean Russell: Taxation is wholly separate from this Bill. The Bill is very much about BEIS. To give my hon. Friend some reassurance, what the Bill will not do is change anything on taxation.

James Grundy: I thank my hon. Friend for his clarification. I have covered most of the points I wish to cover. We have heard a number of very sensible and reasonable contributions. This Bill has overwhelming cross-Bench support. It is long overdue, but it is terribly sad that we have to legislate to deal with this problem. It is pretty cheap for businesses to try to take tips for themselves. It is my view that they are always meant for the staff, as a token of thanks to people for service above and beyond what should be expected.

12.30 pm

Richard Fuller (North East Bedfordshire) (Con): As is often the case on days such as this, one prepares an extensive speech only to then be given guidance that one should be brief. I shall therefore seek to rattle through a number of points relatively quickly and try to be as helpful as I can to the Minister.

I am interested in the explanatory notes. As you probably know, Mr Deputy Speaker, we had a public consultation in 2013, another consultation in 2016 and another response to the consultation in 2021, and now we are in 2023. Good Lord, eight years! Why has it taken so long? A number of colleagues have noted that there is no law on this issue, but paragraph 15 of the explanatory notes state:

“In terms of legal ownership: tips and gratuities which are paid directly to the employer...are presently the legal property of the employer.”

It goes on to say:

“Tips and gratuities which are paid in cash directly to a worker are the legal property of the worker”.

A number of MPs have mentioned the transition from cash to card. I am interested in the Minister’s view of the implications in terms of legal ownership and whether this Bill is of particular assistance.

I am interested that the impact assessment refers to the possibility for complaints to be made to the employment tribunal as a result of this legislation. Have the Minister or his team made an assessment of the likely impact? I would guess it is limited and perfunctory, but we know that employment tribunals are under a lot of pressure to get through pieces of work, so it would be helpful to dot the i’s and cross the t’s.

I am also interested in table 12, on page 26 of the impact assessment, which looks at the summary of costs by business size and provides central estimates. There is no greater champion in this House for small businesses than the Minister, so he will have noted the distribution of costs among micro, small, medium and large businesses as a result of complying with this measure. Rather than showing a nice, graduated increase in costs whereby the largest businesses take on the largest costs, the table shows that quite a lot of the cost falls on the very smallest businesses. I am interested in hearing the Minister’s thoughts on that.

I thank my hon. Friends the Members for Watford (Dean Russell) and for Ynys Môn (Virginia Crosbie) for proposing and supporting this Bill. I will end with some questions to the Minister directly about his approach to tips, on which he may wish to advise the House while speaking with his hand on the Dispatch Box. First, does the Minister tip or not? Secondly, how much does the Minister routinely tip? If someone else offers to pay for the meal, does the Minister offer to pay the tip?

David Johnston: Is my hon. Friend speaking from personal experience of the Minister?

Richard Fuller: Sadly, the Minister has never bought me a free lunch, but that is no disparagement of his character.

Does the Minister pay a tip if it is automatically applied to the bill? The other points are a little frivolous, but this is a serious point: if the automatic charge is a service charge, does the Minister pay a tip in addition? That is important because there is a lot of confusion about whether a service charge is a tip. I do not think it is, and I still do not know whether it is covered by this Bill. Has the Minister ever crossed out a service charge on a bill and not paid it? Does the Minister ever dare not to pay a tip? He might choose to give the Government’s

[Richard Fuller]

response on all those matters rather than a personal one, but I wanted to get those questions on the record. In the interests of time, I will end my comments there.

12.35 pm

Fleur Anderson (Putney) (Lab): I congratulate the hon. Member for Ynys Môn (Virginia Crosbie) and the hon. Member for Watford (Dean Russell) on all their work on this Bill. It will make such a difference to so many people across the country, and I declare an interest, because it will make a difference for two of my older children who are working in and out of the hospitality industry and are very interested in the progress of the Bill.

The Bill is righting a wrong of many decades. When I was a waitress in a hotel, I had to drive home at the end of my shift. I was the most junior member of staff, and all the other staff lived in the hotel and would drink the tips at the end of every night, so I would not get any of those tips. I was not able to ask my employer for a written copy of the policy on tips, and I was not able to find out what my share of the tips would be. I have felt for quite a long time that that was an injustice, and I am glad that the Bill will right the many injustices that are happening on a daily basis across the country.

I support rewarding customer service and transparency and confidence for businesses, customers and employees alike. This is fairer for businesses that do the right thing. It is fairer for people who tip and expect it to go to the worker; as many Members have said, lots of things are not clear about that at the moment, and I hope it will be much clearer in future. It is also fairer for the employee, who will get the money that has been given by customers for the work they have done. Labour supports the Bill, and I am pleased to see that the Government are behind it as well. It also has the support of unions—especially the GMB, which has been campaigning on this for a long time—and UKHospitality.

Like other Members, I am surprised that there is no law on tips at the moment. However, as I said in the previous debate, this measure should have been in a comprehensive employment Bill, which has been promised time and again by Government. It is disgraceful that all this time, hospitality workers and workers in the beauty industry have been cheated out of their money. It is clear that some hospitality workers are not getting their tips, with companies instead using them to subsidise other workers' wages, to pay for accidents such as unpaid customer bills or to pay for so-called administration costs that are very opaque. In 2015, evidence was found that two thirds of employers in hospitality were making deductions from staff tips, in some cases of 10%. With the pandemic and more people paying by card not cash, there are well-founded concerns that workers not receiving tips in full is becoming standard practice, so this law is very timely.

The Government have repeatedly promised to tackle this issue but failed to do so until now. They published a call for evidence in 2013, which showed broad support for action on fair tipping. They then promised this measure at the Conservative party conference in 2018 and in the 2019 Conservative party manifesto, and they committed to include it in the employment Bill in

December 2019, but that was dropped from the last two Queen's Speeches. In the meantime, the latest figures suggest that staff may have lost over £1 billion of tips while waiting for this legislation over the last five years.

Frontline workers in pubs, bars, cafés, restaurants, hairdressers and beauty salons are often the lowest paid. With the Tories' cost of living crisis worsening by the week, every penny counts, and we desperately need this legislation. In 2020, members of Unite the union at the Ivy tried to lodge a collective grievance against their employer on a number of issues, including withholding tips, but with no formally legally backed process to take the complaint forward, this was dismissed.

I thank my hon. Friend the Member for Reading East (Matt Rodda) for his speech highlighting how important the Bill will be for so many of his constituents, especially for the hospitality sector and for students, and I agree with him. I am proud that it was a Labour Government who, in 2009, first intervened in this issue to make it illegal for tips to contribute to the national minimum wage, just as I am proud that, some years earlier, it was the Labour Government who introduced the national minimum wage itself.

Richard Fuller: The hon. Lady is right to congratulate the previous Labour Government on introducing the national minimum wage. Does she also agree that it is good news that the Low Pay Commission report has produced details showing that between 2019 and 2022, young people had the largest increase in wages? It was a 25% increase for 16 and 17-year-olds, compared with 11% for those over 23. Does she agree that that is very good news indeed?

Fleur Anderson: An increase in the national minimum wage is very good news. I remain proud that it was the Labour Government who first brought that in and did not drag their feet for years and years over it.

Back then, too many bad bosses were using tips, which should be a voluntary extra to top up basic pay, as has been underlined by so many Members today. Once again, Labour has been ahead of the curve on this issue. The shadow Secretary of State for the future of work, my good colleague and right hon. Friend the Member for Ashton-under-Lyne (Angela Rayner), committed last year to stamp out unfair tipping practices, including through many of the provisions included in this Bill; to ensure that all tips, gratuities and service charge payments are allocated to workers in full without deductions; and to ensure that a written policy is produced to make it clear to staff how all tips are allocated, and for those tips to be paid in full at the end of the month following the payment.

Labour will ensure that tips are allocated fairly through a tronc, which is genuinely independent of the business, and we will announce proposals to allow exploited workers to lodge any workplace grievances collectively—a right denied to many hospitality workers seeking the return of deducted tips. A Labour Government will deliver for working people, ending unjust deductions and ensuring that workers themselves decide how tips are distributed.

In conclusion, I have a few questions for the Minister. First, we have before us another Bill on workers' rights, following the passage of the previous Bill on workers' rights. If the Government are to introduce an employment

Bill effectively through supporting piecemeal private Members' Bill such as this, which parts of the original employment Bill are they going to drop?

Secondly, many workers end up on the end of already illegal practices while at work. Without stronger enforcement of standards, there is a real risk of Bills such as this failing to meet their potential. I thank the Minister for his earlier response about the consultation on a single enforcement body. Does he believe that such a body for workers' rights would help to enhance people's ability to get justice against unscrupulous employers?

Thirdly, measures to strengthen the rights of hospitality workers are welcome, but ONS statistics from May last year show that nearly 25% of workers in the food and accommodation sectors are on zero-hours contracts. Hospitality workers desperately need security and flexibility, so will the Minister commit today to banning these one-sided, unfair zero-hours contracts?

I close by congratulating the hon. Member for Ynys Môn on getting this Bill so far. It will have a massive impact. It has our support and I wish her the very best in the remaining stages.

12.43 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): First, like the shadow Minister, let me declare my interest. I have two young daughters who work in the hospitality sector and who may benefit from this legislation. Happily, I am pleased to say that the Bill will also benefit around 1 million other people to the tune of £200 million per annum.

I thank my hon. Friend the Member for Ynys Môn (Virginia Crosbie)—I hope I have pronounced her constituency correctly because we have had some problems with pronunciation this morning—for her very hard work in bringing the Bill forward to Third Reading. The Bill is about fairness, transparency and, again, our efforts to make this society a fairer one. I am pleased that she has taken on the sponsorship of the Bill. Obviously, I thank the previous sponsor, my hon. Friend the Member for Watford (Dean Russell), for his work on such an important piece of legislation and for his campaigning on this issue. This is not just about his work in taking the Bill forward, because he has been amazing in campaigning on this. I thank my predecessors—not just him, but my hon. Friends the Members for Sutton and Cheam (Paul Scully) and for Loughborough (Jane Hunt).

It has been brilliant to hear the support in the House for these measures, and I will briefly reiterate why the Government are supporting the Bill. A few years ago, stories were highlighted in the news about bosses wrongfully pocketing tips intended for their workers. Both the Government and the public were appalled by that; money left by customers who wanted to recognise the hard work and excellence of staff was in some cases simply treated as part of the revenue of the business. That is why my Department took action to understand the scale of the problem and launched consultations, as has been mentioned. We were then able to publish a full impact assessment to support the Bill. The Government believe that tips should go to the staff who earn them,

rather than the business, and that businesses that withhold tips from staff are wrongfully benefiting from money intended for hard-working staff.

The Bill prevent therefore employers from making deductions when distributing tips, apart from those required or permitted by existing legislation, such as under tax law. That will ensure that all money left by customers is passed to workers in full, as intended. The Bill also establishes a requirement to allocate tips fairly between workers at a place of business. That protects vulnerable workers and prevents exploitation. As we have mentioned, a voluntary code of practice on tipping was published in 2009. Our evidence shows that voluntary guidance alone was not enough to stamp out bad practice. Therefore, this Bill goes a step further and requires employers to give consideration to a statutory code of practice when considering how tips should be distributed. The code will continue to be developed by the Government, in partnership with key stakeholders, and will be subject to a full consultation period before the final version is brought to this House for approval.

Let me address some specific points made by hon. Members in this debate. The hon. Member for Reading East (Matt Rodda) talked about the benefits to lower-income workers and to towns with lots of hospitality workers, such as Reading, and indeed places in Thirsk and Malton and many other constituencies represented here today. My hon. Friend the Member for Watford talked about snollygosters. I do not know whether that piece from Quentin Letts referenced my hon. Friend personally, but being mentioned in one of his articles is always a badge of honour, regardless of whether the comments are derogatory. My hon. Friend also said that this measure is about fairness and clarity, and the simple question when one is handing over a tip: "Do you get this?" He said this should not be about topping up salaries. I say that it should be about driving up service, as these tips are paid to people who do a good job. Let me answer the question put by my hon. Friend the Member for North East Bedfordshire (Richard Fuller) on my tipping policy shortly.

There are some burdens on businesses as a result of this measure, particularly on record keeping. We should bear that in mind when we legislate, but, on balance, I think this Bill is fair. My hon. Friend the Member for Cheadle (Mary Robinson) talked about fairness and about how most employers do the right thing but some do not. She also talked about the confusion regarding making cash or card payments, and what happens to such payments. This is not just about hospitality, as this applies to other industries, such as the beauty industry. I should point out that this Bill does not cover every sector; requirements in here about record keeping and the like, and the passing on of tips, apply only to businesses that receive tips on a more than exceptional or occasional basis. So this does not cover every instance; it applies just where tips are routinely paid.

My hon. Friend the Member for Wantage (David Johnston) talked about not just hospitality, but the key element of access to cash, on which the Government are undertaking another stream of work.

My hon. Friend the Member for North Devon (Selaine Saxby) talked about the fantastic hospitality venues that are essential to the economy in her area—as, indeed, they are to the economy in mine. She is a huge advocate

[Kevin Hollinrake]

for business. Many of us on the Government side of the House are for business because we are from business. I know that she is, and I welcome that.

My hon. Friend the Member for Sedgefield (Paul Howell) talked about his local hospitality venues. I have visited a number of them, not least Sedgefield racecourse on occasion, which is always a treat. He talked about how this change will be overseen and gave the example of sole traders. This legislation will be employment law and will apply only to people who are employees. The code of practice will go into that in more detail.

My hon. Friend the Member for Clwyd South (Simon Baynes) was born and bred in the hospitality sector and so speaks with real authority. He used the words that I probably mention more than any other in my role as Minister for business: “fair” and “level playing field”. That is absolutely right, and that is what we seek to achieve. He also talked about the representations from Michael Kill from the Night Time Industries Association and how this change is important to attract workers into the sector, and about the great work of Kate Nicholls for the hospitality sector.

My hon. Friend the Member for Leigh (James Grundy) talked about this being a token of thanks. That is absolutely right, because that is what drives service.

My hon. Friend the Member for North East Bedfordshire, as always, challenged us in a number of areas. He mentioned the number of consultations we have held, and basically told us to get on with it. That is what we are doing today, of course: getting this legislation through and putting it into effect as quickly as possible. He talked about whether employment tribunals will have the capacity to deal with these issues. Work is under way across Government to expand capacity within employment tribunals. He talked about cash and cards, and what goes to whom. As he said, cash is by right the property of the employee, unless the employment contract says that it is not. The Bill will clarify that, in any circumstance, whether there is a service charge or not—that is also covered—this money will go to the employees. That is a critical part of this legislation.

Richard Fuller: It would be helpful if the Minister confirmed that, as of this Bill passing, when people see a service charge on a bill, they can say that it is covered, that it counts as a tip and that it will go to the employees rather than to other uses within the firm.

Kevin Hollinrake: That is correct.

My hon. Friend also talked about my personal tipping. Do I tip? Yes. By standard, if there is no service charge, I would usually tip 10%, or sometimes more, based on performance. Sometimes I will tip nothing, if I do not feel that the service has been at that level. Do I tip if I do not pay for the meal? I normally pay for the meal as well actually, but I have offered to on occasion. I think that covers all his questions, but if he has any more, we can deal with them by separate means.

To respond to the shadow Minister, I again refer to my earlier comments about an employment Bill. The key thing is that we are getting on with key legislation that we think is important. It is not just this legislation; there are other pieces of legislation addressing flexible

working, carer’s leave and other issues. She talked about enforcement, which is hugely important. Legislation without implementation is pointless. One of the most effective parts of our regulatory system in the UK, in my view, is employment tribunals. There is no pan-employment regulator in the UK, which, when we think about it, is quite a surprise—there are some in some sectors. There are 30 million people employed in this country, and employment tribunals do a fantastic job, at a fraction of the cost of other regulators. It is ex-post regulation, and I think a more effective means of doing that is through employment tribunals, which are principally a mechanism for enforcement.

The hon. Member talked about zero-hours contracts. A very small proportion of people in this country are on zero-hours contracts—2% to 3%. Many of them are on a zero-hours contract for good reasons and want to be on one, but she raised an important point. This is something we are looking at and determined to tackle. There are some abuses of the system, and we are keen to bring forward new regulations to make sure we tackle that area.

In conclusion, bringing forward the new rules will protect more than 2 million workers from bad bosses and give them an avenue to seek remedies. Businesses will be assured they are not being undercut by companies where bosses keep tips for themselves and consumers will have increased confidence that their tips go to the workers they are intended for. The new rules are backed by Government evidence and analysis. The Government are therefore pleased to reiterate their support for this private Member’s Bill. It has been wonderful to see the support for it in the House during today’s debate.

If I may, I would like to list the civil servants involved, and there are a number of them: Flora Strange, Lucy Allatt, Yasna Reynolds, Mary Smeeth, Tony Gordon, Joe Giles, Simi Bhamra, Bex Lowe, Richard Lewis, Abigail Bridger, Rachel Senior—I can see the Whip moving closer to me; oh no, it’s not, it is the next Minister. I will conclude very shortly!—Anthony Morris, Cora Sweet, Nadine Othman, Laura Matthews, Clara Thiel, Patrick Day and Harry Ravi. Finally, I very much look forward to working with my hon. Friend the Member for Ynys Môn and stakeholders to support the passage of these measures as the Bill moves to the House of Lords. I commend the Bill to the House.

Mr Deputy Speaker (Mr Nigel Evans): If the Minister was ever to invite us all out for dinner one night, I think we would like to see his tipping style in action, wouldn’t we? Fascinating.

12.56 pm

Virginia Crosbie: With the leave of the House, I would like to thank all hon. Members for their contributions today. In particular, I emphasise the work of my hon. Friend the Member for Watford (Dean Russell) and thank him for his kind words. He also taught us a new word, “snollygoster”. We heard about workers’ rights and he emphasised us working together as a House.

The hon. Member for Reading East (Matt Rodda) talked about the importance of the Bill for university towns such as Reading. My hon. Friend the Member for Cheadle (Mary Robinson) mentioned a campaign to make sure people know about the measures and how we

have amended the Employment Rights Act 1996. My hon. Friend the Member for Wantage (David Johnston) waxed lyrical about Christmas tips and how he plans to visit all his pubs. We had a fantastic romp through all the fantastic places to visit and eat in the constituency of my hon. Friend the Member for North Devon (Selaine Saxby).

My hon. Friend the Member for Sedgefield (Paul Howell) highlighted how important it is that the Bill will help businesses to look after their staff. My hon. Friend the Member for Clwyd South (Simon Baynes) grew up in the Lake Vyrnwy Hotel, a wonderful, wonderful hotel. He paid tribute in particular to Kate Nicholls. From my hon. Friend the Member for Leigh (James Grundy), we had the great image of a scene from “Reservoir Dogs” and the culture of tipping in the US. My dog sends her best wishes to my hon. Friend the Member for North East Bedfordshire (Richard Fuller), who talked about impact assessments and small businesses. Lastly, the shadow Minister, the hon. Member for Putney (Fleur Anderson) shared her experiences of not being able to drink her tips and the significance of the support of unions and UKHospitality.

I would like to end by thanking the Minister for signalling the Government’s continued support for the Bill. I hope hon. Members in all parts of the House can agree that this is an essential piece of legislation, which will help to promote fairness and transparency to ensure that workers receive the tips they earn. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr Deputy Speaker (Mr Nigel Evans): Congratulations, Virginia Crosbie and Dean Russell.

Pensions Dashboards (Prohibition of Indemnification) Bill

Bill, not amended in the Public Bill Committee, considered.

Third Reading

12.58 pm

Mary Robinson (Cheadle) (Con): I beg to move, That the Bill be now read a Third time.

The Bill is a simple yet important measure designed to safeguard the interests of pensions savers. It will help to ensure that unscrupulous trustees or managers of pensions schemes do not help themselves to the hard-earned savings of pension scheme members to reimburse themselves for penalties incurred under the pensions dashboard regulations. I am proud to have brought the Bill before the House and delighted to have received support from the Government for it. I am proud to have brought the Bill before the House and I am delighted to have received support from the Government for it, confirmed by the Minister for Employment, my hon. Friend the Member for Hexham (Guy Opperman) on Second Reading and reconfirmed by the then Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Brentwood and Ongar (Alex Burghart) in Committee. I thank them both profusely for their support.

I welcome the new Minister, my hon. Friend the Member for Sevenoaks (Laura Trott) the Parliamentary Under-Secretary of State for pensions and financial inclusion, to her place and hope that she will confirm that I have a hat-trick of support from pensions Ministers. The cross-party support throughout the passage of the Bill was also extremely welcome, and I hope that that will continue.

For the benefit of those that were not present for the previous stages of the Bill, I will give a brief recap of its policy background and purpose. Millions more people are now saving for retirement, thanks to the success of automatic enrolment, but as people change job roles throughout their career it can become difficult to keep track of multiple pension pots. Likewise, when people move home, updating their addresses with various pension schemes is not always the top priority, so pension schemes might not have up-to-date contact details for many of their members.

We know that many people have little idea how much they have saved for retirement. Pensions dashboards are an electronic communication service that will help to solve those problems. They will revolutionise the way people interact with their pensions by allowing individuals to see pensions information online, including the state pension, in one place, at the touch of their laptop, smartphone, or tablet. Dashboards will help to reunite individuals with their lost or forgotten pensions and support people in better planning for their retirement.

The Money and Pensions Service, an arm’s length body of the Department for Work and Pensions, will provide a dashboard service. Additionally, to help to cater for the varied needs of the millions of people with pensions savings, it will also be possible for other organisations to provide dashboard services. Those organisations will be regulated by the Financial Conduct Authority, which is currently consulting on rules for pension dashboard operators.

[Mary Robinson]

Importantly, the technology behind pensions dashboards has been designed with data security at its heart. Pensions information will not be stored in any central database and will continue to be held only by the pension schemes themselves, or by a third party administering the data on their behalf. Pensions information will only be displayed at the request of the individual. Individuals will retain control over who has access to their data, and will be able to revoke that access at any time.

Following parliamentary approval in November last year, the pensions dashboard regulations came into force on 12 December. The regulations set out requirements for occupational pension schemes to be connected to a digital ecosystem, which will enable the provision of pensions information at the request of a pension scheme member. In the event that trustees or managers do not comply with the requirements of the pensions dashboard regulations, there are powers for the pensions regulator to take enforcement action, including the power to issue penalty notices. Those penalty notices could be up to £5,000 for each breach in the case of individuals, or up to £50,000 in other cases, such as corporate trustees.

However, there is nothing currently in legislation to prohibit trustees or managers from being reimbursed for those penalties using the assets of the pension scheme. It is certainly not right in my view that ordinary pension scheme members should have to foot the bill for failures by trustees to meet the legal requirements.

Simon Baynes (Clwyd South) (Con): Will my hon. Friend clarify whether the dashboards have come into reality yet, or is it just that the regulations are in place and we expect the dashboards to become a reality shortly?

Mary Robinson: I thank my hon. Friend for that question. I share his eagerness for the dashboards to be put in place. The regulations are there and the building of the digital ecosystem has been happening. One key part is that the dashboards must be secure, and that is complex. The expectation is that, from 1 April, pension schemes will be able to and be expected to start to connect with the dashboard system, and their ability to do that will run through until, I believe, October 2025. The Minister will clarify those points. I share his enthusiasm, and we want to get the dashboards going as soon as possible.

I am pleased to say that the problems I have highlighted are being solved and addressed by the Bill. It provides powers for criminal proceedings to be brought against trustees or managers of occupational pension schemes if they reimburse themselves from pension pots to pay penalties imposed for compliance breaches under the dashboard regulations. If a trustee or a manager is found guilty of that offence, the provisions would allow for a maximum sentence of up to two years in prison, a fine, or both.

As I said on Second Reading, the Bill does not impose any new costs or requirements on occupational pension schemes or their sponsoring employers. Section 256 of the Pensions Act 2004 already prohibits reimbursement for penalties incurred under a number of other areas of pension legislation. The Bill will simply extend that

prohibition to include pensions dashboards. I hope we can all agree that this is an uncontentious measure that is worthy of our support. I look forward to its making progress through the other House.

1.7 pm

Simon Baynes (Clwyd South) (Con): I thank my hon. Friend the Member for Cheadle (Mary Robinson) for bringing the Bill before the House. As with other Bills that we have considered today, it is astonishing that its requirements even need to be made—pension trustees or managers using scheme assets to reimburse themselves and repay civil penalties is, in any situation, an extraordinary concept. The Bill will be righting a potential wrong, which is extremely important.

Before I came to this place, my background was in the financial services industry. When I was a county councillor in Powys, I was a member of the pensions and investment committee. I have also had considerable experience of acting as a trustee to various charities, overseeing their financial affairs. So, from my point of view, this is a subject of particular interest.

My hon. Friend made the vital point about how pension dashboards, as an electronic communication service, will allow individuals to see their pensions information—including their state pension—in one place online. I am pleased to hear that we are not far off pension schemes being connected to the technology—that is from 1 April—and that they will have until October 2025 to be, I presume, fully up and running. Anything that can be introduced that demystifies the pension world and makes information more accessible to people is vital.

My hon. Friend made two other points about the dashboards, one of which was about uniting people with lost pensions. That might sound peculiar to some, but those who have been in different employments will have been members of different pension schemes and companies—parents may have set up a pension for them—and so on. That is therefore a much more important point than it might appear at first sight.

My hon. Friend's second point was about better help in retirement in general. At a time when inflation and interest rates are high, and the cost of living is difficult for people, the pensions issue could not be more important. With prices going up sharply, anything that we can do to help people in retirement on a static income, or an income that is not growing much, is vital.

I am delighted that the pensions Minister, my hon. Friend the Member for Sevenoaks (Laura Trott), is present; she is a true champion of the pensions industry and an expert on the subject. I have heard her speak on the subject on several occasions. The point of my hon. Friend the Member for Cheadle about automatic enrolment is extremely pertinent, because the whole pensions industry has been transformed in recent years, particularly under the Conservative Government, so more people are involved in it. The ability to have pensions dashboards as an electronic communication is therefore vital.

To go back to my original point, it is extraordinary that there is nothing in legislation, backed by a criminal sanction, to prohibit the trustees or managers from drawing on and reimbursing themselves from the pension schemes. As somebody who was involved in that industry, one way or another, for a long time, I could not imagine

being on a board of trustees where anybody would ever consider doing that, but clearly it does happen. My hon. Friend's point is that those are, potentially, substantial amounts of money. The financial penalty under the current non-compliance requirements in part 4 of the Pensions Dashboards Regulations 2022 is up to a maximum of £5,000 in the case of an individual or £50,000 in other cases, such as corporate trustees. So if those were to be reimbursed from the schemes, they would be substantial subtractions.

Mary Robinson: My hon. Friend is right to say that it is important that a trustee should not be able reimburse themselves from the scheme for any wrongdoing under any pensions legislation. In fact, under the Pensions Act 2004, some of those regulations are already in place. It appears from the Pensions Regulator that, until now, prosecutions and penalties have not been issued; I am sure that the Minister will want to clarify that. This is very much about having a deterrent when the dashboard is set up. The deterrent effect needs to be strong to ensure that those people, whose pensions are in the schemes and on the dashboard, are properly protected.

Simon Baynes: I thank my hon. Friend for that clarification. Indeed, the deterrent is vital, not only to ensure that the trustees and managers do not take that course of action, but to give a general sense of confidence in the schemes to everybody who contributes to them. As I said, I am very impressed by my hon. Friend for promoting the Bill, which has my wholehearted support as a Member of Parliament and as somebody with considerable experience of the industry. It is high time that we passed the measure.

1.13 pm

Dean Russell (Watford) (Con): I pay tribute to my hon. Friend the Member for Clwyd South (Simon Baynes), who always speaks eloquently and with grace about his insight and experience, which he brought to bear in his speech. I also pay tribute to my hon. Friend the Member for Cheadle (Mary Robinson), who is an incredibly passionate campaigner on this and other topics. It does not surprise me that the Bill has made it to Third Reading, given her experience and her ability to convince others about quite complex issues in such a way that makes sense and brings people along.

I will speak briefly about the Bill's importance from the perspective of pensions and of transparency and the use of data. Although the Bill is specifically about the prohibition of indemnification, the words in it and the pensions dashboards are absolutely key. We are now surrounded by a world of data, and there are so many complex ways in which our data is used and accessed. Whether it is marketing information on Facebook or a pensions dashboard, it is ultimately information about us and our lives. We are being analysed, reviewed, logged and filed in databases all around the world.

We all hope to get to pensionable age, reflecting and relaxing after a hard-working life, and our pensions will be important. Knowing everything we can about what our pensions will look like, and about what information is stored, protects us from wrongdoing and allows us to plan ahead. That is absolutely key.

During the covid pandemic, we increasingly used dashboards to explain complex information in a simple, effective way. We all remember the sad days of covid,

when Professor Whitty, Sir Patrick Vallance or whoever stood up at the daily briefings to go through the charts and to explain what the graphs and information meant for what we could do and what we might plan to do. The pensions dashboard is not dissimilar. It is just data on our lives, showing what contribution we are making, what contribution we will be able to make and what we will get back in future.

This goes to the heart of what government should be about. It should not be about imposing rules. As a Conservative, I think we should have a small-state Government, but they should support people to know what is available and what opportunities they have. They should also support people through welfare, where needed, so there is a safety net to help them live the best life they can.

Pensionable age is often one of the points at which people need support from the Government. Anything they do not know about their state pension contributions could inhibit their ability to live a full and joyful life. Being able to understand the data, and being able to access a dashboard that tells us what our future pension may look like given our contributions, is key.

Also, pensioners want to know that everything they have put into their pension is available to use. The stories of organisations or individuals taking some of that money away from pensioners are not only abhorrent and wrong; it is a failing that they are able to do it off the radar, without sharing the information. I wholeheartedly support this Bill and the wider approach of having a pensions dashboard. The more data-literate we can be, and the simpler we can be in telling people what is available and accessible to them, the better the world will be.

More broadly, this ties into the important role data will have in health. I will not talk about this too much, but I am a great believer in having a single patient view within the NHS and within Government, so that we are able to access our information to see what it means for us. The state could then use that information to improve its services and to connect the dots between different systems while ensuring there is a seamless approach to everything it does.

The challenge is that, because data and technology have grown in a fragmented way within Government and society, there are lots of small bits of data and small systems out there that do not talk to each other. The pensions dashboard is a great way to show that the Government are connecting those dots. I just hope we do that more across other parts of Government and other parts of our lives so that we have a simple view of what the future will look like.

I commend this Bill, and I truly thank my hon. Friend the Member for Cheadle for her work to get it this far.

1.19 pm

Selaine Saxby (North Devon) (Con): I thank my hon. Friend the Member for Cheadle (Mary Robinson) for bringing forward this important Bill.

As a member of the Work and Pensions Committee, I suspect that I spend more time thinking about pensions than many. Trust in pensions is key to ensuring that people engage with saving for later life and adequately prepare for their old age. A Which? survey found that

[Selaine Saxby]

only 23% of people trust long-term financial products such as pensions. The Bill will strengthen people's trust in the new pensions dashboards and ensure that people feel safe to engage with this useful new tool and gain a greater understanding of their pension.

Pensions dashboards are hoped to be a game-changer for engagement with pension pots and financial literacy when it comes to retirement plans. It is not new that we have poor financial literacy in the UK. Many people do not take advantage of the range of savings and investment products available to them because of a mix of a lack of trust and a lack of education about the benefits. As a former maths teacher, I put on the record my full support for our Prime Minister's ambition for everyone to study maths to the age of 18, although I very much hope that it will be the practical, day-to-day mathematics that tackles the challenges of compound interest, debt management and, indeed, pensions.

People see pensions as something shrouded in mystery. The lack of literacy around pensions is exacerbated by their constantly being put at the bottom of people's priority lists. Understandably, people are primarily focused on day-to-day spending, clearing debts, saving for homes and other big expenses and caring for family members. However, we all know that the earlier people engage with pensions, the more they can save and the greater the benefits.

Since 2012, the Government's automatic workplace enrolment scheme has proved very successful and ensures that younger people, who are likely not to be thinking of their retirement 40 or so years in the future, are saving from an early point. Although more people are saving through the scheme, it also creates a sense of security and that they do not need to engage with their pensions as they are already providing for their future. Such over-optimism in respect of their savings prevents people from engaging in the time-consuming process of consolidating pensions. These days, people change jobs with much more frequency and accrue lots of small pots. During the summer recess, when I had a little time on my hands, I thought I would try to consolidate my pensions; to date, I have not successfully consolidated a single pension, despite three of them relating to my work in this House.

By making pension savings more transparent, we will give people a clearer idea of their existing situation. They can then make informed decisions about where they put their money. Since covid-19, more and more of our population are confident in the use of online tools in place of physical access to banks. In fact, 23% of British people use Google as their first port of call for financial information, while 16% say they use social media such as Facebook, Instagram and Twitter as their source.

Currently, people with pensions worth more than £100,000 are more likely to engage regularly with their pension. Future planning should not only be the province of the wealthy. Once the dashboard is up and running—according to the MaPS, the pension dashboard programme is coming shortly, as my hon. Friend the Member for Cheadle has assured us, with the system currently being tested—I hope that savers across society use it and take control of their savings.

I also hope that the dashboard will help to alleviate savings gaps. Currently, the value of women's pensions are 60% of the value of men's on retirement. Women have historically had to work harder throughout their working lives to earn the same amount. Although the situation is improving, women still face greater caring responsibilities, which often lead to their taking time out of the workforce or cutting back on their hours.

I hope that the introduction of pensions dashboards will encourage more people to engage in planning for their future, because even in the current financial climate it is important that people are educated about their options for the future. The Bill will give people confidence that their money is safe and ensure that they are given accurate information and can make informed decisions about how to save for their hard-earned pensions.

1.23 pm

David Johnston (Wantage) (Con): We do not think about our pensions enough, let alone talk about them enough. We should acknowledge the fact that a lot of people did not have them, which is why auto-enrolment has been such an important policy. Since this Government introduced auto-enrolment, nearly 11 million more people have been saving into a pension, although some people still do not have them. Auto-enrolment has been a welcome development.

Even people who do have a pension can find them difficult to understand. They see an amount on their pay slip that disappears from their pay, but they do not really have a sense of what that will mean for them in retirement. The total sum that they have saved may look large until it is divided across their life expectancy after they have retired; that might make it seem a much smaller sum. We know that contributions are not generally at the levels they should be.

We are very fortunate to have a Minister who is passionate about pensions, and about making sure that people have good pensions that are clearly understood. That is also why these dashboards will be so important, because it is a complex area that people do not understand, and having one place where someone can clearly see how much money they have saved will help them to plan for their retirement. To the point made by my hon. Friend the Member for North Devon (Selaine Saxby), people often collect several pensions through their working lives from different places that are not easily transferable. They can entirely lose the information about them; they have no sense of how much is in each of them, or how to bring them together and what that might mean. As such, the Bill is very welcome.

We have often seen scandals arise from the complexity of pensions, and we all know of very high-profile national scandals involving pensions. We know of some local cases—I have my own local case that I have been working on—where people have thought their money would be well guarded, but have found decades later that the promises that were made to them have been abandoned, and when they have tried to seek redress, they have felt blown off by authorities: “Too late, too bad. You’ve lost that money.” As such, while I would like to think that none of the people managing pensions would take money out of their assets in order to pay fines, I am afraid that based on all the things we have seen in the pension industry over the years, I do not

have that confidence. I totally accept that it will be a small minority, but the safeguard in the Bill is a very important one to have in place, and I congratulate my hon. Friend the Member for Cheadle on bringing it in.

1.26 pm

Richard Fuller (North East Bedfordshire) (Con): As is often the case in these debates, one prepares a long speech, only to be told to hurry up and only speak for a couple of minutes—hon. Members may have heard that from me during our last Bill debate. I will take this opportunity to ask the Minister some questions that I hope will be helpful, and to make a broader general point to the House.

As other hon. Members have said, the underlying change regarding pensions dashboards regulations that this Bill, skilfully introduced by my hon. Friend the Member for Cheadle (Mary Robinson), seeks to make is to improve a commonplace problem for many pensions, which is that we do not know where our pensions are. They are very hard to track, which leads to all sorts of unintended consequences: indeed, the Pensions Policy Institute has estimated that 1.6 million pensions with a total assessed value of £19.4 billion have been lost. I do not know whether that is a number that the Minister recognises, but my hon. Friend is absolutely right to bring the Bill forward as an additional measure of consumer or pensioner protection.

Could the Minister clarify the stage at which penalties will be levied? Is it on advisement that a pension provider has done wrong? Will it be after a warning, or after egregious ignorance of warnings by a provider? I think that clarity would be helpful. Will it be in the public domain that a penalty has been levied, similar to the national living wage regulations? It is an important question, because there is a significant imbalance in knowledge between fund operators and pension holders.

What assessment has taken place of levying fines on those with professional qualifications, and the ability of professional standards bodies to operate assessments? Clearly, integrity is a crucial characteristic when managing people's pensions. When it comes to levying fines against an individual—I understand that fines can be levied against both an institution and an individual—have we investigated the implications carefully enough? Have the Government liaised with professional standards bodies to ensure that if someone is fined, it does not unduly limit their ability to continue to operate? Who will levy and assess the fine: the regulator or the courts? I believe the Minister will say that it will be the regulator, but perhaps she could confirm that.

That point brings me to a more general one about the House's oversight of regulators. In this instance it is the Pensions Regulator, but we also have Ofgem, Ofwat and the FCA. We assume that providing powers to a regulator means that everything will work wonderfully well, but frequently it does not. There is a significant gap in the oversight of many of our regulators in the UK. It affects the operations of this Parliament, and it needs addressing urgently. For example, when the Financial Services and Markets Bill was going through this House, I sought amendments to ensure that the FCA met certain performance indicators as a requirement for providing services to participants, because without them our competitiveness is hurt.

Another example is Ofgem's decisions about who can participate in the energy market or how on earth to handle the price cap through 2020-21. Those are serious questions and serious decisions, but where is the accountability? I am not sure that the current structure, in which we rely on Select Committees, is sufficient. Without getting into the general point, perhaps the Minister might find time to say whether she is happy about the ability of the Work and Pensions Committee to fulfil its duties with respect to oversight of the Pensions Regulator.

Mr Deputy Speaker (Mr Nigel Evans): I call the shadow Minister.

1.31 pm

Matt Rodda (Reading East) (Lab): I congratulate the hon. Member for Cheadle (Mary Robinson) on her work on the Bill. I thank hon. Members across the House who have contributed to our debates during its passage.

This is an important Bill. People who work hard and save all their lives should have every right to expect a decent pension in their retirement. The Bill will play an important role in helping to protect the interests of people who are saving for a pension, as we have heard. The Opposition agree with the principle that pension scheme trustees should be responsible if they fail to meet their legal requirements, rather than responsibility falling on people who are saving for a pension.

Without the provisions in the Bill, there is a real risk that fines could fall on scheme members. That problem was highlighted recently by the Pensions Regulator—I take note of the concerns that the hon. Member for North East Bedfordshire (Richard Fuller) raised about regulators—which warned that many trustees are at risk of failing to meet their legal pensions dashboard responsibilities. There is a very real risk that fines could be issued as a result. The regulator has made it clear that it will take a dim view of trustees who fail to prioritise their pensions dashboard responsibilities.

People saving for a pension should not be let down by the actions of fund managers and trustees. That is why the Opposition support this important Bill. Indeed, we would have liked the Government to take action earlier; we would have liked Ministers to include the Bill's provisions in the original dashboard legislation. I wish the hon. Member for Cheadle every success with her Bill, but it would be very helpful if the Minister explained whether the omission of those measures from the original legislation was a mistake or whether there was an element of deliberate policy. I look forward to the Minister addressing that point.

Pensions policy is a long-term issue and a very important one. Legislation introduced in this Parliament and the last Parliament will have implications for many years to come. The dashboard is an important attempt to make information more easily accessible to pension scheme members. I welcome it—I think it will play an important role in explaining pensions, as we have heard from colleagues across the House, and in helping to encourage people to save more for their retirement—but the Government cannot rely on the dashboard alone to address all the issues in the UK pensions system. I believe that Ministers should be doing more both to

[*Matt Rodda*]

encourage saving and to support pensioners at this difficult time. We must all do more in this country to ensure that people are saving enough for their retirement.

1.34 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Laura Trott): I am very grateful to my hon. Friend the Member for Cheadle (Mary Robinson) for promoting the Bill and I congratulate her on navigating it through to this stage. I have done a private Member's Bill so I know that that is no mean feat. It requires a huge amount of work, which has been on display today, as have her skills in getting this through. I also thank the Opposition for their support for the Bill, and I thank all of those who have spoken today: my hon. Friends the Members for Clwyd South (Simon Baynes), for Watford (Dean Russell), for North Devon (Selaine Saxby), for Wantage (David Johnston) and for North East Bedfordshire (Richard Fuller). I will endeavour to deal with as many of his questions as I can, but I will write to him on any I am unable to address. I also pay tribute to my predecessors in this role, my hon. Friends the Members for Hexham (Guy Opperman) and for Brentwood and Ongar (Alex Burghart), who spoke in support of the Bill on Second Reading and in Committee respectively. I am proud to complete the trio.

Private pensions have undergone a quiet revolution in recent decades. It used to be the case that retirement income was guaranteed by the employer via a defined benefit pension. That started to change with the introduction of defined contribution schemes in the early 1990s. Those types of schemes put the risk of the eventual outcome entirely at the feet of the employees, with no guaranteed contribution from employers. That clearly has a huge potential impact on the adequacy of someone's private pension for retirement, and introduced a huge new complex financial world for individuals to navigate. The intergenerational impact of this is stark. One group of people is able to retire on a guaranteed pension provided by their employer and have protections—provided by the financial assistance scheme and, latterly, the Pension Protection Fund—in respect of the employer going bust. The second group of people are given no guarantees on the value of their pension, if indeed they have one at all, and they are exposed to market conditions, are reliant on the performance of their individual fund, and wildly different levels of contribution are made by the employer—in some cases, none are made at all.

That is why the introduction of automatic enrolment in 2012 was so important. My hon. Friend the Member for Cheadle is right to say that automatic enrolment has been an incredible success and has achieved a transformational effect on retirement savings in the UK, both by employers and by employees. It has seen millions more people working to contribute to their workplace pension and has normalised workplace pension saving. Automatic enrolment is re-establishing a culture of retirement saving for a new generation, with more than 10.8 million workers enrolled into a workplace pension to date and an additional £33 billion more saved in real terms in 2021 than in 2012.

Matt Rodda: Will the Minister pay tribute to the work of the Pensions Commission and, indeed, the last Labour Government, who designed the policy? Obviously, it was implemented in 2012.

Laura Trott: The Pensions Commission did a great piece of work. As the shadow Minister rightly pointed out, it was implemented by the Conservatives.

Automatic enrolment was designed specifically to help groups who have historically been less likely to save, such as women and lower earners. My hon. Friend the Member for North Devon referred to women, and automatic enrolment has particularly helped them; millions more have been saving into a pension for the first time. Workplace pension participation among eligible women working in the private sector has risen from 40% in 2012 to a brilliant 87% in 2021—that is the same level as for eligible men in the private sector. We absolutely know that there is more to do, particularly to enable young adults, lower earners and part-time workers to achieve greater security in later life. The 2017 review of automatic enrolment sets out the Government's ambition to enable people to save more and to start saving earlier by abolishing the lower earnings limit and reducing the qualifying age for automatic enrolment to 18. We are committed to implementing these measures in the mid-2020s.

However, the success of automatic enrolment in increasing the number of pension savings and the number of pension pots people have comes with policy problems that we have to solve. People have an average of 11 jobs in their lifetime. With automatic enrolment, they will often have a new pension pot every time they move job. Research in 2021 suggested that 73% of people have multiple pension pots, and research by Scottish Widows suggests that almost half of workplace pension holders do not know how many pension pots they hold with previous employers. Indeed, they will frequently forget about their pension pots from previous employers altogether.

The first policy issue with automatic enrolment that we therefore need to address is ensuring that pots are reunited with people. While estimates and definitions of lost pension pots vary, the latest survey from the Pensions Policy Institute suggests that the value of lost pots in the UK may have grown from £19.4 billion in 2018 to £26.6 billion in 2022.

The second issue that my hon. Friend the Member for Cheadle alluded to is that many people have multiple pension pots, and it can be difficult for people to keep track of what they have saved for retirement. Having lots of pension pots can be confusing. The Financial Conduct Authority's recent survey showed that 54% of defined contribution pension holders aged 45 to 64 say they have little or no idea of how much annual income they expect to have from their defined benefit contributions.

Members will be pleased to know that we have a solution to these issues: pensions dashboards. Dashboards will allow individuals to view information about their multiple pensions, including their state pension, in one place, online—even pots they had forgotten they had in the first place. As my hon. Friend the Member for Watford said, it will tell us what our future looks like.

Numerous Members asked about timings. The Pensions Dashboards Regulations 2022, which set out the requirements for relevant occupational pension schemes to be connected to the pensions dashboards digital system, were approved by the House in November 2022 with cross-party support, and they have now come into force. We hope to see the first schemes connecting to the dashboards infrastructure in the coming months.

Members also asked when individuals will be able to access these dashboards. We refer to this as the dashboards available point. As set out in the Pensions Dashboards Regulations 2022, the dashboards available point will be when the Secretary of State for Work and Pensions is satisfied that the dashboards are ready to support widespread use by the general public. The Government consulted last year, and in response to the consultation we set out a broad framework of relevant matters that will be considered before the Secretary of State announces the dashboards available point. That will include consideration of the level of coverage; ensuring the safety, security and reliability of the service; and testing the user experience.

Matt Rodda: Could the Minister tell the House what plans the Department has to publicise the roll-out of the dashboards? Clearly many pension savers are already not aware of their full entitlement, and there is a risk that they may not be aware of the dashboard itself.

Laura Trott: The timetable set out in the regulations is about pension providers uploading the information to the dashboard. When that is available for individuals is a decision that the Secretary of State then has to take, but the timetable for information being uploaded is public and is the one agreed in the regulations. I hope that that answers the hon. Gentleman's question.

As my hon. Friend the Member for Cheadle said, in order to ensure compliance with dashboards regulations, the Pensions Regulator has been given power to take enforcement action for non-compliance with any of the requirements in part 3 of the Pensions Dashboards Regulations 2022. That includes the possibility that the regulator may, at its discretion, issue penalty notices of up to £5,000 for individuals or up to £50,000 in other cases, such as corporate trustees. My hon. Friend the Member for North East Bedfordshire asked me lots of questions, and I will write to him, because I need to hurry up.

In conclusion, it is to the huge credit of my hon. Friend the Member for Cheadle that she successfully brought the Bill forward on a cross-party basis and navigated its passage. I am delighted to restate that the Government support the Bill and will continue to support it as it moves through Parliament. I wish it every success.

1.44 pm

Mary Robinson: With the leave of the House, Mr Deputy Speaker, I will take this opportunity to thank the Minister and Members on both sides of the House for their support throughout this process, and extend my appreciation and thanks to the Public Bill Office and officials from the Department for Work and Pensions for their guidance. It has also been brilliant to have cross-party support.

I thank my hon. Friend the Member for Clwyd South (Simon Baynes), who has great experience of dashboards and really knew the subject; my hon. Friend the Member for North Devon (Selaine Saxby), who brought her experience on the Select Committee to the Chamber, and who spoke with wisdom and knowledge; and my hon. Friend the Member for Watford (Dean Russell), who spoke about the importance of transparency, which should be the key to so much that we do. My hon. Friend the Member for North Devon described dashboards as a “game changer”, and my hon. Friend the Member for North East Bedfordshire (Richard Fuller) spoke of the imbalance of knowledge between schemes and members. That imbalance is what we need to address now, for the sake of the 52 million people who will potentially benefit from the Bill.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr Deputy Speaker (Mr Nigel Evans): Congratulations, Mary Robinson.

Shark Fins Bill

[Relevant documents: Correspondence between the Chair of the Petitions Committee and the Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs, relating to animal welfare, dated 24 May and 12 July 2022; e-petition 300535, The UK should ban the importation of Shark Fins; and e-petition 582564, Ban the sale and possession of shark fin in the UK.]

*Bill, as amended in the Public Bill Committee, considered.
Third Reading*

1.45 pm

Christina Rees (Neath) (Ind): I beg to move, That the Bill be now read a Third time.

I am delighted to present the Bill for its Third Reading, and thank all Members who have supported it so far, as well as all the non-governmental organisations that have advocated for this ban. I am pleased that the Bill has broad support across the House, and I am grateful to the Members who are present for helping to put in place this vital addition to UK legislation to improve global shark conservation.

This small but very important Bill proposes the banning of the import and export of detached shark fins and shark fin products. Sharks are already at great threat from overfishing, driven by demand for shark products. In the United Kingdom, shark finning has been banned for nearly 20 years. It is a highly wasteful practice and a huge barrier to effective fisheries management, and it is so cruel: fins are removed from a live shark, and its finless body is returned to the water where the shark dies as a result of bleeding or suffocation. It is therefore not surprising that a strong opposition to shark finning and trade in detached shark fins was rightly amplified by respondents to a call for evidence run by the Department for Environment, Food and Rural Affairs.

Simon Baynes (Clwyd South) (Con): A thought has crossed my mind. Welsh Members of Parliament represent 6% of the total membership of the House, but I am proud to say that, as two Welsh Members have presented Bills, they represent 40% today. That bears testimony to the vibrancy of Welsh democracy.

May I ask the hon. Lady what exactly shark fin products are used for in the UK? Obviously I am thinking about cutting off the demand, but I would also be interested to know what products are involved and for what purposes they are used.

Christina Rees: I thank the hon. Gentleman for his intervention—and I really like his maths.

Shark fins are a traditional delicacy used in shark fin soup, mainly in Asian communities. We do not intend to ban that; we intend only to ban the imports. If the shark is ethically landed and the fins are removed when it is dead and then made into soup, that is fine. However, to ensure that we are not inadvertently fuelling unsustainable practices abroad, it is crucial that we ban the import and export of detached shark fins and shark fin products. Only sharks landed with their fins naturally attached will be available for sale. That is widely accepted as best practice for the enforcement of shark finning regulations, requiring that fins remain naturally attached to the body until it is brought to land.

Dean Russell (Watford) (Con): I thank the hon. Member for giving way on that point. I remember speaking on Second Reading of this Bill and applaud her for getting it through to Third Reading.

Currently, to be crystal clear, those involved in shark finning get sharks when they are very close to the boat and pull them on. They cut off their fins in a horrific way and then throw them back into the water. With no ability to swim, the shark effectively becomes a torpedo, drowning as it falls to the ground, which is just so cruel and abhorrent. The number that this happens to is incredible—the figure is literally in the millions. Does the hon. Lady agree that, by ending that abhorrent act through the Bill, we will be ensuring that the ecosystems in our seas and oceans are much better supported?

Christina Rees: I thank the hon. Gentleman for his support on Second Reading and today. His graphic description is absolutely right. It is an abhorrent practice. The stats show that 73 million sharks would have to be killed each year to match the volume of fins illegally traded on the global market. That is between 1 million to 2 million tonnes, which is unbelievable.

The import and export of detached fins has already been banned in Canada, India and the United Arab Emirates. It is time that we followed suit. As a nation that cares deeply about the sustainability of our oceans, we must not be left behind on this issue. On Third Reading today, I hope that we can agree that the Bill will deliver a significant improvement to safeguard the future populations of our sharks. I am pleased to commend the Bill to the House.

1.51 pm

Selaine Saxby (North Devon) (Con): I congratulate the hon. Member for Neath (Christina Rees) on introducing this important legislation. Although for many in the UK sharks are associated with “Jaws”, they are actually one of our planet’s oldest species and inhabit seas and oceans in all corners of the world. Although the UK and the EU have banned the cruel and wasteful practice of shark finning since 2003, we still facilitate the finning of sharks in other territories by allowing the import and export of detached shark fins.

Alongside formal imports, people can bring in up to 20 kg of detached fins as an allowance for personal consumption. Not only is 20 kg a significant quantity for any one household to eat, making around 700 bowls of soup, but it has a value of up to £4,000 and is entering the country tax-free. I am glad that the Government have clarified that this Bill will also prevent the import of fins using this exemption and stop the unregulated trade of fins into this country.

Sharks have been in our oceans for more than 420 million years, surviving five mass extinctions. They are an important species in our oceans as apex predators in the food chains and maintain balance for a healthy food chain. We already know that the overfishing of sharks has negative effects on the species below them, reducing the diversity and health of reefs and other environments.

Growing up along the coast and now representing the beautiful coastline of North Devon, I have always been delighted to find mermaid purses. Once thought to be, literally, the purses of mermaids washed ashore, they are actually egg cases of sharks and rays, and a good

indication of the health of their populations in our coastal waters. I urge anyone who lives there to register their egg case finds with the Great Eggcase Hunt, which was established in 2003 to help scientists track our shark and ray populations.

If we are not to repeat the mistakes of our past, we must stop overfishing our apex predators. Given their size, it is estimated that, at the peak of whaling, there was an 80% reduction in the amount of carbon captured, stored or sequestered, by our seas, roughly equivalent to 50,000 hectares of forest a year. Like sharks, blue carbon is still not clearly understood, but it is crucial to the health of our oceans and our planet. Targeting apex predators, which can reach massive sizes, is adding significant amounts of carbon to our atmosphere.

It would be beyond unacceptable if, after surviving five mass extinctions over 420 million years, sharks were driven to extinction for nothing more than their fins. I applaud the Bill. Now that we have left the EU, we are freer to enact this legislation, and I hope that other nations follow our lead.

1.54 pm

Virginia Crosbie (Ynys Môn) (Con): I am the MP for a coastal constituency—the Isle of Anglesey, or Ynys Môn—so the marine world is significant to me and to my constituents.

I am passionate about marine life. My first job, working with Terry Nutkins of “Animal Magic” fame—a few Members may remember that—was caring for dolphins. As a British Sub-Aqua Club diver, I have dived many times with sharks, coming face to face with hammerhead sharks and whale sharks—those have been some of my more terrifying experiences, along with having babies and standing for election. I also studied marine microbiology at university.

Many of my constituents are involved in the fishing and maritime industries, others work with the excellent Bangor University School of Ocean Sciences, and yet more are deeply concerned about animal welfare, such as those who work so hard at the Anglesey Sea Zoo. I represent them all in my support for the Bill, which has been brought to the House by my friend the hon. Member for Neath (Christina Rees). Today, we could make history by passing two important new Bills sponsored by two Welsh Members of Parliament.

It is not known exactly how many sharks are killed or wounded each year by finning, but it is estimated that the figure runs into the tens or hundreds of millions. Although the UK banned the landing of fins in 2003, that has not stopped the import of fins—it was estimated that the UK imported about five tonnes of shark fins in 2020. Those figures equate to thousands of sharks, which are often landed and have their fins removed before their finless bodies are returned to the water. Without fins, sharks cannot swim, which means that they cannot obtain oxygen. As a result, they are left to drown slowly. The worldwide figure for sharks lost to that practice is in the millions.

The greatest threat to sharks is overfishing, and the shocking loss of such beautiful creatures for the sake of just their fins is further contributing to their decline. Studies have shown that wild shark populations have declined by about 70% since 1970, and some species are now even considered critically endangered, so we risk

seeing them disappear from our waters for ever. Sharks are fascinating and diverse creatures that are important to the biodiversity of our oceans. They play an important role in keeping our oceans healthy, and their loss has a significant impact on our marine ecosystems.

The UK Government support the Bill. The EU, along with the UK, banned the landing of fins not attached to sharks 20 years ago, and in 2009 we enforced a “fins attached” policy to UK vessels. Our 2021 action plan for animal welfare reiterates our commitment to banning both the import and export of shark fins. I am proud of the strong track record that we have in animal welfare and of the measures that the Government are supporting through Parliament to improve that area further.

It is barbaric that we still allow the import and export of detached shark fins. I fully support the Bill, which will not only protect sharks but make a significant statement to the world about the UK’s commitment to seeing an end to the trade in shark fins.

1.57 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to support the Bill of my hon. Friend the Member for Neath (Christina Rees), which will set out in statute vital powers to end a cruel and ruthless practice. In truth, we should not be debating shark finning in the context of this private Member’s Bill given that a policy on the matter was set out in the last Conservative manifesto.

It is important to outline the reasons for ending our part in that barbaric practice by describing its impact not only on sharks but on our planet’s fragile ecosystem. Sharks are found in open oceans. Their numbers have plummeted by 71% over the last half century, and 60% of shark species are now threatened by extinction. The practice of shark finning—the epitome of cruelty—is a big part of that.

Between 2013 and 2017, the UK imported 300 tonnes of shark fins. We continue to be a significant importer of shark fins, but I hope that that will end after today. In 2021, the outgoing Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), announced a world-leading ban on what he correctly described as a “barbaric” practice. That ban was in line with the 2019 Conservative manifesto and the Government response to a 2020 petition to Parliament, in which they said:

“Following the end of the Transition period we will explore options consistent with World Trade Organisation rules to address the importation of shark fins from other areas, to support efforts to end illegal shark finning practices globally.”

The call for evidence from international companies such as Amazon on the banning of shark fin soup and the trade of shark fins was concluded. Today, the hon. Member for Neath is bringing forward the Bill, but it should have come forward in a broader Government Bill about animals abroad. I hope the Minister will tell us when that Bill will arrive and we will see a whole range of animal welfare issues addressed, as well as this one, which hopefully we will put to bed. It is now time to put in statute effective legislation to make a real dent in this unsustainable, unnecessary and barbaric practice. It will have little economic cost and will allow us to lead

[Alex Sobel]

the world on this issue. Fundamentally, shark finning is morally indefensible. It is now time to play a part in its end.

2 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): I am delighted to be here speaking again on this important subject. I am very grateful to the hon. Member for Neath (Christina Rees) for all her great work to introduce this Bill and for navigating it through to this stage. I also thank all Members who have contributed not just today with their perceptive speeches and interventions but on Second Reading and in Committee. It has massive support right across the House. I am delighted that we will continue to assist in every way that we can to ensure swift passage through both Houses so that this important Bill gets on to the statute book.

I normally work so closely with the shadow Minister, the hon. Member for Leeds North West (Alex Sobel), but I was a little concerned about his slight negativity and the shadow he threw over the Bill by asking whether it should be brought forward in some other Bill. We consider this issue so important that we specifically allocated time for it. We want to support this individual issue because it will make such a difference, as we all agree, to protecting this glorious and precious species. It is just another measure to be added to all the other work we are doing as a Government internationally to help with shark conservation.

Sadly, this species has undergone the most immense suffering. One of our Whips was singing the “Jaws” tune before I took to the Dispatch Box, but the other day I heard the director of that film apologise for the fact that he has caused that horrible feeling that we all have about sharks, being scared and fearful of them instead of revering them for the precious and amazing creatures that they are. They play such an important role in their hierarchy in our food chain, because once they go, all the other creatures below them are under threat. They face enough threats as it is with global warming, warming seas, coral reefs changing and, critically, overfishing—a point mentioned by my hon. Friend the Member for Ynys Môn (Virginia Crosbie), who has incredible marine knowledge. We have so many other threats, including plastics. We are working on everything else we can do to help on the international front, but things such as this Bill will be so helpful.

Shark finning is a practice that has been banned in the UK for almost 20 years. We also have a “fins naturally attached” policy, which means that sharks must be landed with all their fins on their bodies. This Bill means that we can go even further and ban the trade in detached fins—that is critical point—and in shark fin products. The Bill outlines our determination that shark finning must stop wherever it takes place. I have already said how irreplaceable these animals are.

The call for evidence that we ran through DEFRA showed how strong the opposition to shark finning is among individuals and all the other marine organisations who worked on this Bill. I must thank them because they played a great role. The sheer grossness of it was outlined by my hon. Friend the Member for Watford (Dean Russell), for which I must thank him. My hon.

Friend the Member for Clwyd South (Simon Baynes) made a sensible input on the stats involved—a very good point. We have widespread backing.

A point that was raised that is worth reiterating is that when we were in the EU it would have been extremely difficult to take action on this issue. Any restrictions on the shark fin trade would have needed agreement from all member states. The great news is that we now have much more freedom to introduce stricter measures and we are demonstrating through this Bill that we are doing exactly that.

I will give a few details about the Bill itself. It will ban the import and export of detached shark fins into and out of Great Britain. The ban applies not only to whole shark fins, but to parts of fins and products made from fins, such as tinned shark soup—we had a lot of discussion about that on Second Reading, but that has been covered. In that context, “shark fins” means,

“any fins or parts of fins of a shark, other than the pectoral fins”, which are part of skate and ray wings, and “shark” means,

“any fish of the taxon Elasmobranchii”,

as set out in clause 1.

Clause 2 amends the existing shark finning regulation 1185/2003, which forms part of retained EU law and includes the amendments in regulation 605/2013. The amendment in this Bill is to ensure that shark finning is not taking place by any other country’s fishing vessels in UK waters or by any UK vessel wherever it fishes—that is an important point. We remain firmly committed to building on the UK’s strong position on shark conservation.

We have done so much internationally; I wanted to mention that, very positively, even since this Bill was introduced last year almost 100 shark and ray species have been afforded greater protection under the convention on international trade in endangered species at the 19th meeting of the conference of parties in November. That list brings the majority of global trade in shark fins under CITES regulation for the first time. That is an important move and shows how we work globally on this issue and how important our position is in leading the way on conservation, not only on sharks, but on the wider ocean work.

I thank all hon. Friends and hon. Members, including my hon. Friend the Member for North Devon (Selaine Saxby), who is no longer in her place but who raised the important fact that we are now banning the 20 kg personal allowance for consumption. I was pleased that she mentioned the egg cases—did you know, Mr Deputy Speaker, that some sharks lay their eggs in little egg pouches and they wash up on the beach? I thought they were bits of seaweed, but they are actually pouches in which one finds some shark eggs, and they are great to look at.

In winding up, I thank again the hon. Member for Neath (Christina Rees) for introducing the Bill and all hon. Members across the House who have taken part in the debate. I wish the Bill all the best on its way and reiterate the Government’s support for it.

2.7 pm

Christina Rees: With the leave of the House, I would like to thank everyone here today for their contributions to the debate. Notably, I thank the hon. Member for

Watford (Dean Russell) for his graphic description of the abhorrent shark finning procedure. I thank the hon. Member for North Devon (Selaine Saxby) for highlighting the banning of the 20 kg personal allowance, which will also apply to businesses. I thank the hon. Member for Clwyd South (Simon Baynes)—I really like his maths when it comes to our Welsh Members of Parliament—for allowing me to clarify the shark products issue. Finally, I thank my friend the hon. Member for Ynys Môn (Virginia Crosbie)—such a beautiful constituency, probably as beautiful as Neath; I did not know that she worked for “Animal Magic” and had been swimming with sharks. It is amazing what we learn in these debates.

I thank all those hon. Members who are not here today, but have supported this important Bill in its previous stages on Second Reading and in Committee. I could not close the debate without again thanking all the organisations that have campaigned for and supported the Bill. They have all contributed to developing and progressing the Bill so far, and I am sure they will continue to support its progress in the other place. Most of them are in the Public Gallery today.

I thank the Minister for her continued support and for her contribution to the debate, which is much appreciated, and the shadow Minister for his support. I thank all the Clerks and the DEFRA officials for their advice. I also thank again the wonderful team in my office, who have worked so hard to make this happen, and give special thanks to the Government Whip, the hon. Member for Castle Point (Rebecca Harris), for making Friday sittings a success and for the personal support she has given me.

I look forward to seeing this Bill on the statute book and thereby continuing to drive up standards of global shark conservation.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr Deputy Speaker (Mr Nigel Evans): Congratulations, Christina Rees—the Welsh are doing well today, aren’t they? I declare an interest.

Online Sale of Goods (Safety) Bill

Second Reading

2.10 pm

Ian Mearns (Gateshead) (Lab): I beg to move, That the Bill be now read a Second time.

I should start by saying that the private Member’s Bill process provides an opportunity to champion an important cause. Over recent years, one of the many causes that has stood out to me has been consumer safety. The reason is very simple: we are all consumers. Every single one of us, and our constituents, are potentially affected by the sale of unsafe products. Concerningly, many of us, and indeed many of our constituents, are unwittingly being sold unsafe products on online marketplaces by third-party sellers.

A survey commissioned by Electrical Safety First found that 73% of customers did not know that online marketplaces were not bound by the same product safety laws as high street retail units. Sadly, many of the products sold on online marketplaces are unsafe and non-compliant. Investigation after investigation, by Electrical Safety First, the British Toy and Hobby Association, and Which?, has found this time and again. The Government’s own research, by the Office for Product Safety and Standards, also shows the same.

This cannot be right. It cannot be right that high street shops are subject to product safety regulations but online marketplaces are not. This is bad for shops, because of unfair competition, but worse for customers who buy unsafe products. Consumers deserve equal protection, regardless of where they shop, and the Government appear to agree, having made several commitments to consumer safety. In the Government’s response to the call for evidence on product safety, they committed to ensuring that only safe products can be placed on the market, both now and in future. The Government also committed to ensuring that the product safety framework is fit for purpose.

However, that is currently not the case. As I will set out, unsafe products continue to litter online shopping platforms, but also people’s homes. The current product safety framework does not, therefore, ensure that only safe products can be placed on the market now, let alone in future. As a result, the product safety framework is sadly not fit for purpose. That is particularly the case where products are sold on online marketplaces by third-party sellers. As a result, the Government are failing on their commitment to ensure that the UK is the safest place in the world to buy online.

Indeed, even in the EU, the USA and Australia, there is movement towards regulating online marketplaces and safeguarding consumers. For instance, in the EU, the European Council and the European Parliament have reached a provisional agreement on the EU’s general product safety regulation. The GPSR seeks to ensure that products sold on online marketplaces are safe and also includes specific requirements in relation to online marketplaces. For instance, these platforms will have to co-operate with market surveillance authorities when they detect a dangerous product on them.

Once the GPSR is enacted, online consumers in the UK will be less safe than similar consumers in the European Union. As it currently stands, the Northern

[*Ian Mearns*]

Ireland protocol would also mean a divergence in product safety between Northern Ireland and the rest of the United Kingdom. Consumers in Northern Ireland will be protected by the GPSR, but consumers elsewhere in the United Kingdom will not. Without similar or enhanced protections, mainland Britain risks becoming almost a wild west, with unsafe products being peddled to unwitting consumers.

There are similar proposals afoot in the United States. The United States Congress has introduced federal legislation in the form of the INFORM Consumers Act, which will require high-volume sellers on online marketplaces to provide identification information, which will ensure that a seller can be identified if a product safety issue were to arise. Similarly, in Australia, the voluntary product safety pledge provides Australian consumers with additional protections, including commitments from online marketplaces to remove unsafe products within two business days.

In introducing the Bill, I wish to ensure that the UK remains at the forefront of digital regulation and consumer protection. In doing so, I hope that the Government will achieve their commitment to ensuring that the UK is the safest place in the world to be and to buy online. It is an enabling Bill that allows the Government to show a commitment to make regulation about the safety of goods sold online within one year of its being enacted. That allows enough time for the product safety review to be completed, which I am sure will, once again, highlight the significant stakeholder and public support for better regulation of online marketplaces.

I hope all hon. Members agree that the desire to keep our constituents safe extends beyond party politics—it is about doing what is right for our constituents. That is the intention behind the Bill: to keep our constituents safe and to save lives. It is well documented that unsafe products can have devastating consequences. The tragic death of Linda Merron in Swansea was caused by an unsafe electrical product bought on eBay. Her death demonstrates the real consequences of vulnerable consumers buying unsafe electrical products from third-party sellers in online marketplaces. I pay tribute to my hon. Friend the Member for Swansea East (Carolyn Harris) for championing the cause after Linda's death.

The same is true for unsafe toys: two-year-old Rebecca nearly died after swallowing magnets from a non-compliant toy purchased on eBay. The magnets were so strong that they linked together in her body and ruptured three parts of her intestine. I pay tribute to her mum Samantha for drawing attention to the risks that unsafe toys present. In 2020, a fire in the Kent's family home was caused by a laptop charger bought in an online marketplace, and in the same year, a fire in the Firth's home was thought to be caused by a battery pack bought in an online marketplace. In 2021, a fire in the King's family home was caused by a phone charger bought in an online marketplace.

There is a common pattern here of consumers—our constituents, as well as their loved ones and homes—being put at risk by unsafe electrical products sold in online marketplaces by third-party sellers. That cannot and should not continue.

Dean Russell (Watford) (Con): The hon. Member mentioned button batteries. My hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon) has been running a fantastic campaign to ban them altogether or at least to make them safer. Will he reflect on that more broadly? It is not just about selling them online. A child of one of my constituents swallowed one of those small batteries; thankfully, they survived, but it could have been much worse. Will he support that campaign?

Ian Mearns: I could not agree more. That is just one unsafe element of electrical goods bought online, but I accept the hon. Gentleman's point.

Investigations by Electrical Safety First and others have, time and again, found unsafe products listed on online marketplaces by third-party sellers. In one investigation, Electrical Safety First found unsafe devices on online marketplaces that claimed to save consumers energy. Not only were those devices ineffective in saving energy, but they were unsafe. In other investigations, it found 60 unsafe e-bike and e-scooter chargers listed on online marketplaces, and white goods that had been recalled for safety concerns listed for sale on online marketplaces. I apologise if I sound repetitive, but I hope that shows the urgent need for the Bill.

The solution that the Bill provides would be welcomed by consumers, experts in the field and the reputable part of the industry, particularly high street retailers. Another survey commissioned by Electrical Safety First found that 85% of consumers want the United Kingdom Government to ensure that online marketplaces are bound by the same regulations as high street retailers. The Law Commission noted that current legislation is “unclear” and that it provides consumers with “very limited rights” on online marketplaces. The National Audit Office has found that there are gaps in the powers to regulate online marketplaces. The House of Commons Public Accounts Committee found similar results: it stated that online marketplaces were “a significant source of potential product safety harm.”

It is now time to truly level up and ensure that consumers are safe, regardless of whether they are shopping in online marketplaces or high street shops. If the Bill does not progress through the private Member's Bill process, I urge the Minister to take those justified concerns on board and to bring forward measures to rectify the hole in consumer safety regulation. I strongly commend the Bill to the House.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. The Minister has indicated that he would like to speak early in the debate. Of course, that does not prevent other Members from coming in afterwards, should he finish before 2.30 pm.

2.20 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): Thank you, Mr Deputy Speaker. I congratulate the hon. Member for Gateshead (Ian Mearns) on securing a Second Reading for his private Member's Bill, which is on an important issue for hon. Members on both sides of the House, and it is certainly important for me. I and the Government greatly sympathise with the points he made. We know that this is a hugely important issue.

As the Minister for business, the No. 1 thing that I seek to achieve for all businesses is a fair and level playing field. That is good for our businesspeople and good for our consumers and citizens. We must try to establish and maintain that.

As a new business Minister, I did not know what might come under my portfolio. One of my first meetings was with the Office for Product Safety and Standards, which I thought might be quite dry, but it was far from it. I could see what hugely important work it does and how earnestly its officials go about their work. One of the first things we discussed was how we are about to undertake a product safety review—the hon. Member was right about that—looking at many issues, including some of those that he rightly raised. We discussed how although, I think it is fair to say, we would look on many of these online marketplaces as retailers or distributors of products, they argue that they are marketplaces and that other businesses distribute products in their marketplaces. I do not think that is the whole picture.

Clearly, there are a number of different practices. Amazon, for example, will look at a business selling products in its marketplace, see which products sell well and undertake to sell them directly. For me, that indicates work as a distributor or retailer rather than simply as a marketplace. In that first meeting, we looked at that, and I had a number of questions for officials, who understood that I want to be pretty robust and ensure that things are fair. I did not understand why we would expect, for example, a hardware store or a high street retailer to ensure that the products that it was selling were safe and conformed to British safety standards—UKCA or CE marking—and yet not expect that of Amazon. Those were some of the questions that I had.

The hon. Member made some interesting points about what other jurisdictions do in this area and how, when they are made aware of a product not meeting a certain standard, that product has to be removed quickly. I think that, potentially, we should go further than that and require marketplaces to ensure that such products are not on their sites at all, ever, and that they check to ensure that they do not appear and, indeed, remove retailers who have transgressed.

Ian Mearns: I am glad that the Minister raised that point. I raised examples of other jurisdictions for what could be done, but I concur that, if those measures would not be strong or robust enough, the Government should introduce regulations to clean up the market completely.

Kevin Hollinrake: It is important that we look at other jurisdictions for best practice, but not limit ourselves by that if we think we can go further. Amazon plays a very important part and we welcome it as a retailer which, like eBay, Etsy and others, many of us use. We welcome its investment in this country and its services. It adds to the consumer offering, which is absolutely what we should be supporting, but nevertheless it needs to be fair.

I had a meeting with Amazon—it is fair to say that that was a pretty robust meeting—in which we discussed some of these issues. Following the meeting, I received a lengthy letter from Amazon—I am happy to share it with the hon. Gentleman—about some of the work it undertakes to remove businesses that do not operate appropriately on its site. Like me, he will be very keen to

read about the measures it is undertaking. They are welcome, but as I say we should go further and that is what the product safety review will identify and deal with. It is fair to say that some of our current safety rules are not made for the digital age we are in today and we want to ensure that they are.

The hon. Gentleman rightly mentioned some tragic cases, including those of Rebecca and Linda. I have heard about some cases, too. As my hon. Friend the Member for Watford (Dean Russell) set out, my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon) has undertaken a campaign on button batteries following the tragic death of Harper-Lee, who swallowed button batteries. There are many things we need to do in this space to make sure the world of online purchases is safer.

E-commerce has revolutionised global supply chains, facilitating new business models and transforming how products are bought and sold. Internet sales have grown significantly over the past decade, based on consumer demand. Over the past 10 years, shopping online has almost quadrupled. In 2011, just 8% of all UK retail sales occurred online. By 2021, 31% took place online. The trend was accelerated by covid-19, when online shopping became a lifeline for many people. Online shopping has continued to form a higher percentage of retail sales than before covid-19. Within that growth, the rise of online marketplaces, as we have discussed, has been a very notable trend. They include Amazon Marketplace, eBay, Etsy, Wish, AliExpress and many others who provide services for third-party sellers to advertise and sell their products to consumers. That has brought benefits for both businesses and consumers. For businesses, it is easier to sell their products across the world and, often, to trade at lower cost. For consumers, there is greater choice and convenience. However, the rise of e-commerce has also created challenges.

I want to be clear on the law. Existing laws already require that all consumer products must be safe before they can be placed on the UK market, however they are sold. However, the current legal framework for regulating the safety of products was not designed with online business models in mind. That means that in online supply chains the responsibility for ensuring safety may not always be clear. The traditional boundaries between manufacturer, importer and distributor can become blurred. In particular, there are understandable concerns about the ease with which unsafe products can be sold by third party sellers on online marketplaces. As well as presenting a risk to consumers, this potentially places businesses who play by the rules at an unfair disadvantage.

This is a challenge not just for the UK, but one that is witnessed across borders and shared by many jurisdictions around the world. The hon. Gentleman set out some of the measures that have been taken in other jurisdictions to deal with this important issue. As I have said, the Government, too, recognise the need to address it. In fact, we are opposing the Bill—I am sorry to tell the hon. Gentleman—precisely because we are already taking action. That includes both ongoing regulatory action and reforming the product safety framework through our product safety review.

Ian Mearns: I regret that the Government are not supporting the Bill, but to a certain extent I am heartened by what the Minister has just said. Of course, though, he will expect me to hold him to account on that.

Kevin Hollinrake: I am very happy to be held to account by the hon. Gentleman, whom I consider to be a friend as well as a Member on the Opposition Benches. I am very keen to work with him on this issue and include him in my discussions regarding the review of the consultation, to make sure that he can hold me to account and that we get to the right place.

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).
Ordered, That the debate be resumed on Friday 24 March.

Business without Debate

HEREDITARY TITLES (FEMALE SUCCESSION) 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.

PLASTIC (WET WIPES) 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.

TEENAGERS (SAFETY AND WELLBEING) 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.

DISPOSABLE BARBECUES 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.

BRITISH GOODS (PUBLIC SECTOR PURCHASING DUTY) 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.

CONSUMER PRICING 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.

BROADCASTING (LISTED SPORTING EVENTS) 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.

EMPLOYMENT (APPLICATION REQUIREMENTS) 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.

PUPPY IMPORT (PROHIBITION) 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.

PUBLIC SECTOR WEBSITE IMPERSONATION 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.

HUNTING TROPHIES (IMPORT PROHIBITION) (NO. 2) 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.

John Spellar (Warley) (Lab): On a point of order, Mr Deputy Speaker. Once again, the Government Whips have blocked this measure, which is widely popular. I had hoped to not move it, as the Hunting Trophies (Import Prohibition) Bill promoted by the hon. Member for Crawley (Henry Smith) was due to be dealt with in Committee on Wednesday this week. Unfortunately, that was blocked—it is unclear whether by the Government, the Whips, or someone else—so how can we let the public, who really want this measure, know that there is something dodgy going on?

Mr Deputy Speaker (Mr Nigel Evans): I think the right hon. Member has done that in his own inimitable way.

ARMENIAN GENOCIDE (RECOGNITION) 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.

HOUSE OF LORDS (HEREDITARY PEERS) (ABOLITION OF BY-ELECTIONS) 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.

WAR PENSION SCHEME AND ARMED FORCES COMPENSATION SCHEME (PUBLIC INQUIRY) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 17 March.

MINISTERIAL CODE (ENFORCEMENT) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 17 March.

MINISTERIAL INTERESTS (PUBLIC APPOINTMENTS) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 17 March.

WORKING TIME REGULATIONS (AMENDMENT) 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 February.

PRE-PAYMENT METERS (SELF-DISCONNECTION) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 3 March.

FREE SCHOOL MEALS (PRIMARY SCHOOLS) 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.

EU Settlement Scheme

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

2.35 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is a pleasure to raise the issue of the EU settlement scheme. It goes without saying that my Scottish National party colleagues and I thoroughly regret Brexit and the loss of free movement rights. When Brexit happened, we argued that the rights of European economic area citizens should have been protected automatically rather than requiring an application to retain them. However, the Government took a different approach and 6 million citizens have secured some form of status by applying under the EU settlement scheme—a higher number than I think anybody would have anticipated. The Minister will probably quite fairly say that the implementation of the scheme has worked much more successfully than I and some of my colleagues anticipated. Indeed, there are things to be learned from the scheme for other parts of his own Department.

This debate is not about reopening all of those previous arguments. First and foremost, its purpose is to serve as a reminder that the EU settlement scheme is still very much here and, indeed, very much open for applications, despite the deadline for initial applications being 30 June 2021. Far from being finished, there are many tens of thousands still waiting for a decision on their application. There are a couple of a million who will need to apply again and hundreds of thousands who may have lost their status. Even those successfully with status in the system are too often facing some significant ongoing problems, so this is still a hugely important issue that we need to scrutinise.

That takes me to the second purpose of the debate, which is to create an opportunity to flag up some of these ongoing concerns and challenges that need to be addressed. I am grateful to the University of York's Brexit hub for organising a recent seminar at which many of these issues were highlighted. I also pay tribute to the campaign group the3million for its relentless ongoing campaigning on behalf of EEA nationals.

There are a significant number of issues that I wish to try to cover, so I will probably be able to scratch only the surface with many of them and will need to return to some others on a future date.

First, I turn to the approach of the Government to those with pre-settled status. Obviously, this is of massive significance, because there are around 2 million or so with pre-settled status, I think, unless a small percentage have upgraded successfully to fully settled status. In December, the High Court ruled that it was inconsistent with the withdrawal treaty to place those people in a position whereby they would lose their rights and entitlements if they did not apply again for settled status. The issue of whether the policy is consistent with the withdrawal treaty is not for this place or this debate, but we do need to debate the merits of persisting with such a policy, even if it is eventually found lawful.

Why should we put people through this process again? It is a stressful process and often seriously disruptive for all involved. It is also an unnecessary burden for the Home Office, which needs all the capacity it can muster for various other tasks, so why not free up people from

[Stuart C. McDonald]

this pointless process? That, ultimately, is the question. What really is the point of asking these people to apply again? Is it really worth all the time and resource?

I am especially concerned about people with pre-settled status not because they have not been here for many years already, but because, for various reasons such as vulnerability, chaotic lifestyle and other challenges, they simply have not been able to prove long residence, which is required to justify permanent residence rather than pre-settled status. How can we believe that it really will be any different for them this time around? They are at serious risk of becoming undocumented altogether if they cannot provide the necessary residence evidence before their current status expires.

I turn to the challenges with digital status, which include problems with the system itself and problems with people's understanding of the system. The Home Office has been made aware of problems that some holders of settled and pre-settled status are experiencing when using digital status. There are two types of failure. The first is technology failures. Sometimes, to put it simply, the digital status produced by the Home Office checking system is wrong. On occasions, it appears that the status of someone else entirely has appeared on a check, which is described as "entanglement". At other times, details on the check have erroneously changed. For example, there have been cases—especially where a previous refusal has been superseded by a grant—where a person has been flagged up to border officers and held up or turned back at the border just because they previously had a refusal, and the subsequent successful application has not been reflected.

It is difficult to know the full extent of these issues, and it would be useful to hear from the Minister what the Home Office's understanding is and what has been done to try to fix these problems. I also want to know why the Information Commissioner's Office has not been involved, as I understand it. After all, digital status is now to become the norm, and the introduction of electronic travel authorisations in the near future will make it all the more important that these systems work smoothly.

Secondly, even if the technology works, sometimes those using it get it wrong. We hear of employers that do not accept digital status as proof, and people have lost their jobs. There is an increasing number of reports that landlords are even less likely to accept it as a form of ID than other forms of immigration proof that were already problematic. People have too often been stopped by airlines when trying to come home, because staff do not understand the status, even though guidance should mean that EU nationals are not yet having their status checked in that way. What is the strategy to ensure that people fully understand the digital status being presented to them?

On a related note, I would like to hear more about the controversial reintroduction of banking checks. They were paused by the then Home Secretary because he could not be sure of their accuracy, and the independent inspector highlighted a significant 10% failure rate. What has changed to ensure that EEA nationals and others will not be wrongly deprived of access to their finances and thus unable to pay their rent or utility bills?

These systems are vital. People are at risk of losing their jobs—some have already. They are at risk of losing their homes, their access to public services and even their ability to get back into the country that they call home. Some are now too scared to leave the UK in case they cannot return. These are not hypothetical problems but ones that too many people have already faced or are facing. We have long argued for a physical document alongside digital. Digital-first does not need to mean digital-only. If the Government want to stick to their guns on digital-only, they must pull out all the stops to ensure that they are not letting people down through either the technology or the systems and that digital status is being accepted.

People are facing challenges in understanding their rights and persuading others that they have these rights. Various complicated statutory instruments throughout the Brexit process have removed the disparate retained and domestic laws that protected the rights of EEA nationals generally. However, there has been no replacement in domestic law of the rights of those EEA nationals who have secured settled or pre-settled status. When I have raised this issue previously, the response from Government seems to be, "Not to worry—your rights are protected in the withdrawal treaty, and that's sufficient," but that does not recognise how difficult that can be. When applying to a civil servant or any other sort of decision maker—even a tribunal judge—it is infinitely easier to get them to understand a person's rights if those are set out in a domestic Act of Parliament or statutory instrument, rather than a broad international treaty. Going to a jobcentre and pointing to an article of the withdrawal treaty is far from ideal. This is causing problems, and it could be easily remedied. It would be interesting to hear the Minister's thoughts on that.

I turn to certain aspects of the Government's interpretation and implementation of these rights. There is an ongoing debate about the rights of those with pre-settled status, but a lot of people will be very surprised about how the Government interpret withdrawal treaty rights in relation to certain late applicants and their access to free NHS treatment. In fairness, it seems from previous discussions and correspondence that it is the Department of Health and Social Care that is the biggest block here, rather than the Home Office, but the Minister is here, so I will press the case with him.

Let us take the example of an elderly EU citizen who has been here for many years and had an old-style permanent residence card. Home Office guidance rightly says that such a person has a reasonable excuse if they apply late, but what happens if that old person first realises that they should have applied to the settled status scheme only when someone at the hospital to which they have been admitted tells them that their old residence card counts for nothing?

This elderly person undergoes medical treatment and applies for settled status afterwards. She will get settled status and will not be liable to pay for any NHS treatment from the date of her application. But bizarrely, despite the Government having acknowledged that she had an excuse not to apply in time, the very same Government will then penalise her for not having applied in time by making her pay the medical bill incurred between the deadline and her late application. That is nonsensical and cruel.

Debts of several thousand pounds will be life-changing for such people yet, given that the number of people this will happen to is probably going to be pretty small, the sums involved for the Department of Health and Social Care will be insignificant. I simply do not understand why the Department does not just return any fees that are paid or refrain from pursuing them in the first place. Perhaps the Minister would be willing to discuss that issue with colleagues in the Department of Health and Social Care.

A similar issue relates to the debate about comprehensive sickness insurance. Eventually, the European Court held that sickness insurance was not necessary in order for someone to exercise treaty rights in the UK. However, as I understand it the Government have not properly changed their guidance to reflect this fact. They took out a reference to NHS access not being sufficient to prove lawful residence on its own, but nothing was inserted to confirm positively that it is sufficient. I wonder whether that can be rectified.

Let me turn to the issue of late applications. As I understand it there have been around 120,000 late applications, around half of which have been refused. I also understand that no records are kept about the reasoning for such refusals. In particular, nobody knows whether the refusals were because people did not have a reasonable excuse for being late or because the eligibility criteria were not met, even if the lateness could be excused.

Transparency about this issue is very important. We need to know whether the Home Office is being harsh on late applicants, or whether it just happens that a lot of late applicants did not actually qualify anyway. One research report that I have been sent recently suggests that many late applicants would meet the qualifying criteria, which makes me worried that the Home Office is in fact now being harsh on those who are late. Will the Minister provide a better understanding of what the Home Office believes is going on?

I understand there to be around 180,000 pending applications to the settlement scheme, more than 30,000 of which have been pending for more than 15 months, including a disproportionate number of Romanian and Bulgarian cases. Why is there such a backlog? What are the reasons for the delays? Why is there such apparent disproportionality between nationalities? What is the Home Office strategy to try to resolve the matter?

I have heard people discussing what they termed the “hidden second queue” of family members from outside the EEA seeking a family permit. How many are waiting for such permits? Am I right to understand that unlike for any other application, there is no Home Office service standard for that? If that is the case, how can that be justified? Is it consistent with our treaty obligations? The backlogs are definitely interfering with the exercise of people’s rights under the withdrawal treaty. The Government should be careful that this does not become an issue of compliance with the treaty.

What strategies are in place to support marginalised communities? If I understood correctly what I heard at the seminar I attended last week, one Roma rights organisation had conducted a survey that showed that a worryingly low proportion of the Roma population was aware of digital status, and even fewer said they would be able to prove their status, with many requiring help to do so. Up to 75% did not know how to update their

status from pre-settled to settled. All sorts of other groups will face similar challenges, so what is the strategy? What support will be available?

That brings me to the issue of ongoing advice and support. One danger of people thinking the EU settlement scheme is all over and done with is that it might be thought that funding for advice services is no longer needed. That could not be further from the truth; indeed, in some ways applications are becoming more complex, not less. Even if we put the application process to one side, there will be an ongoing need to assist vulnerable communities and individuals with proving their status digitally. We also need to be aware of an apparent rise in the number of advice sharks who take money off vulnerable people by pretending to be able to help them to access their rights. We cannot let them corner the market.

Matt Rodda (Reading East) (Lab): The hon. Gentleman is making an excellent speech. Does he agree that there is a great deal of concern among many elderly people, particularly long-standing residents who originate from EU countries? They would like to have physical proof of their right to remain in the UK and it is deeply disturbing for them not to have that.

Stuart C. McDonald: I agree wholeheartedly with the hon. Member. We have argued for the provision of a physical document on a number of occasions, and will continue to do so.

Let me now turn to the issue of those whose applications have been refused. I think I am right in saying there have been about 400,000 refusals; the Minister can provide me with an accurate figure if that is not correct. On top of that, there will be those who have lost status simply because they did not apply. Has the Home Office any estimate of how many people that will affect? Even if the failure rate is only 5% or 10%, it will involve 300,000 or 600,000 people. If we add those who will not successfully transfer from pre-settled to settled, we could be talking about at least a further 1 million new undocumented people in the UK. It is a huge issue, and I do not think we have even started to have a conversation about what is to happen. This is obviously one of the downsides of not adopting the approach that we advocated, namely the automatic conferral of rights. Will the Minister outline the Home Office’s thinking on that?

Finally—although this is probably an issue for an altogether different debate—I want to mention the UK citizens who face challenges in other EU countries. Who will look out for them now? In the UK, the Independent Monitoring Authority and various other organisations are tasked with ensuring that the rights of European Economic Area nationals are respected. Do we not need a similar arrangement for UK citizens in the EEA?

I will stop at this point. There are probably other issues that I could touch on, and much more that I could say about the issues I have raised, but that can wait for other debates. I look forward to hearing the Minister’s reply. As I have said, whatever our differences on overall policy, the motivation of the debate is to seek improvements in the way in which the implementation of that policy is affecting EEA citizens. I think we all

[Stuart C. McDonald]

agree that we want to do whatever we can to protect those who have made the United Kingdom their home and are contributing to our society.

2.51 pm

The Minister for Immigration (Robert Jenrick): I am grateful to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) for securing the debate, and for the constructive way in which he posed his series of questions to me and to my Department.

First and foremost, it is important to recognise that the EU settlement scheme has been a significant success, as indeed the hon. Member did. We have gone above and beyond our obligations under the withdrawal agreement, and other separation agreements, to protect the rights of EEA and Swiss citizens and their family members, and to give them a route towards settlement in the UK. As a result, I am pleased to say that through the scheme, which is the UK's largest ever immigration scheme, we have delivered more than 6 million grants of status.

Let me now answer the specific questions that the hon. Member raised on behalf of those involved in this process. With regard to the so-called pre-settled status, we take our obligations on citizens' rights very seriously, and have implemented the arrangements that we agreed in the withdrawal agreement in good faith, but it is true that the Independent Monitoring Authority has challenged the Government's requirement for those with pre-settled status to apply for settled status in order to maintain rights under the withdrawal agreement. The High Court found against the Government in its judgment at the end of last year. We do not agree with the Court's interpretation of the withdrawal agreement, and we are considering whether to appeal against its judgment. It therefore would not be appropriate for me to comment further at this stage, but as soon as we reach a decision on how to proceed, I shall be happy to update the hon. Member and others on both sides of the House. In the meantime, while the first grants of settled status will not expire until August this year, pre-settled status holders are encouraged to apply for settled status as soon as they are eligible, and as of the end of September last year, nearly 438,000 people had done just that.

With regard to the volume of applications and the time it is taking to process them, according to the latest published statistics, as of the end of September last year we had received nearly 6.9 million applications, of which 6.7 million had been concluded. Of those whose applications were concluded, 90% were granted status, with 50% granted settled status and 40% pre-settled status. The remaining 10% received other outcomes, with 6% of cases refused. The remainder were either invalid or, indeed, withdrawn.

The hon. Member asked what happens to individuals who are not successful in the process. They are then irregular migrants and either have to regularise their status or leave the country in the usual way.

As of the end of September 2022, a decision was pending on approximately 188,000 applications, about 3% of the total received. Over half of those were less than three months old, so I think it fair to say that the system is operating well, but of course with any system

on such a scale, some cases will take longer than they should. Applications take longer to process if they are incomplete or require the applicant to furnish more information before a decision can be made. Where applications have been pending for long periods, in the majority of cases this is a result of suitability or criminality concerns.

Approximately 1,500 Home Office staff continue to work on the scheme, including 300 staff in the resolution centre that exists to provide applicants with reassurance and assistance and answer their questions about the scheme. I hope that that gives a sense of the scale of the operation that we run at the Home Office and the effort that the Government are making to deliver the scheme as expeditiously and as fairly as possible.

The hon. Member asked about late applications. Although the deadline for applications was 30 June 2021, the Government have rightly chosen to operate a pragmatic approach. We have continued to encourage those who are eligible to apply as quickly as possible. This has been set out in very clear, non-exhaustive published guidance since 2021.

We have also made it clear that a person's rights will be temporarily protected from the point at which a valid application to the scheme is made until they receive a decision on their application or the outcome of any administrative review or appeal. While the application is with the Home Office, there is no reason for any applicant to be concerned or for their rights to be affected.

The hon. Member asked a question about healthcare and sickness. It is true that the Independent Monitoring Authority has raised concerns about the scheme's applicants with pending applications and questioned whether it is appropriate retrospectively to charge for healthcare if an application is ultimately refused. The Department of Health and Social Care, which leads on that aspect, is assessing its policy on the issue and is taking steps to clarify the position on charging late applicants if their application is ultimately unsuccessful. DHSC has already amended its guidance and communicated the change to the NHS via its communications channels, and I understand that it has committed to further liaison with the Independent Monitoring Authority on the issue. I hope that that provides the hon. Member with some reassurance.

Stuart C. McDonald: I am following quite a lot of what the Minister says. I think the issue that I raised in relation to health is very slightly different, because it is about charges incurred between the deadline and the submission of the application. The person I was speaking about has a good excuse, and it seems very strange that they will not be reimbursed any fees that they paid or will be pursued for any medical charges that they incurred at the time. Could the Minister encourage the Department of Health and Social Care to rethink that?

Secondly, the Minister has not really addressed the issue of transparency on how many late applications have been refused because they did not have a reasonable excuse, and how many applications for which a reasonable excuse was accepted have been refused because the criteria were not met. Is there any transparency on that?

Robert Jenrick: I will happily take up the hon. Member's first point with the Department of Health and Social Care and revert to him. On his second point, I did give

some guide as to the likely reasons why an application has been declined, but I will provide him with further statistics if it would be helpful.

The headline is that the vast majority of people who are rejected should not be here in the UK, for good reason, and their status is that of an irregular migrant to the UK. The hon. Member is right to say that that is a significant number of individuals; we will now need to work through it to ensure that those people either regularise their status or leave the UK as soon as possible.

On support and assistance for vulnerable groups, throughout the process we have been aware of the need to support those who may find this process more challenging. For that reason, we have set up a broad range of communications for minorities such as, for example, Roma and Traveller communities across the UK. The Home Office has also committed significant funding to support outreach to those communities, and that funding is ongoing. The resolution centre, which I mentioned earlier, is also available and fully staffed to support individuals by telephone or email seven days a week. We take that issue very seriously.

Matt Rodda: Will the Minister give way?

Robert Jenrick: If the hon. Gentleman does not mind, I will not give way because I have only a few minutes left and I would like to try to answer the remaining questions from the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East.

The use of digital services to access and share immigration status has continued to increase very significantly. Home Office transparency data shows there have been more than 14.5 million views by jobseekers and employers of the online right to work service, and approximately 1.8 million views by landlords and tenants of the online right to rent service.

It is right that, as far as possible, we move swiftly to digital products. That is the right approach to safeguard taxpayer value and to ensure we are providing individuals with the most portable and flexible means of proving their status. Of course, we are concerned to support those who might be left behind by a purely digital system, so we are paying close regard to those with lower digital skills, those who are vulnerable and those

living in rural communities with poor access to the internet. We are fully committed to ensuring our systems are as accessible and as secure as possible. We know some will find online services more challenging, which is why we have a range of support available to them through the resolution centre.

We have been clear with landlords and employers about how to avoid unlawful discrimination when conducting checks. We have statutory codes of practice available on gov.uk stipulating that employers and landlords should provide individuals with every opportunity to demonstrate their right to work or rent; should not discriminate on the basis of nationality; and should be careful to support those who do not have access to digital forms of evidence, or who struggle to access them.

It is correct that the Home Office has chosen to implement banking checks and to recommence data sharing. This is an important tool in our armoury to tackle irregular and illegal migration, but the hon. Gentleman is right to say that we need to do it with great caution and to learn from the mistakes of the past. A great deal of work has been done in the Home Office in recent years to ensure the systems are more robust than they were in the past, and to ensure that those who fear they have been subject to injustice have a swift and appropriate route to redress.

I am grateful to the hon. Gentleman for raising so many questions that will be important to the millions of our fellow citizens and residents who wish to take part in the scheme. I hope I have answered the majority of his questions but, if I have missed any, I am more than happy to write to him. Overall, despite the vast and, at times, complex undertaking that was the EU settlement scheme, it has been a significant success. I pay tribute to the thousands of Home Office employees, past and present, who have been part of that endeavour. Our approach throughout has been generous, transparent and open to scrutiny. As it continues in the months and years ahead, I and my successors in the Home Office will do everything we can to ensure the scheme works for everyone here in the United Kingdom.

Question put and agreed to.

3.4 pm

House adjourned.

Written Statements

Friday 20 January 2023

EDUCATION

Defibrillators in Schools

The Minister of State, Department for Education (Nick Gibb): The Under-Secretary of State for Education, my noble Friend Baroness Barran, has made the following statement.

The Department for Education (DFE) has announced that the first deliveries of defibrillators to state-funded schools in England are taking place this week. The programme seeks to ensure that all schools have access to defibrillators. To do this, the Department has procured over 20,000 defibrillators for schools, with deliveries expected to be completed over this academic year.

The Department has worked with leading charities, including the British Heart Foundation, the Oliver King Foundation, Resuscitation Council UK and St John Ambulance to update its defibrillator guidance. This revised guidance will give schools the tools they need to successfully manage their defibrillators and maximise access, where appropriate. The guidance can be found at: <https://www.gov.uk/government/publications/automated-external-defibrillators-aeds-in-schools>.

In addition, the Department is providing awareness videos, showing how simple defibrillators are to use and will be encouraging schools to share these videos in staff meetings and assemblies. By providing defibrillators and raising awareness, this programme will help a generation of young people to feel confident and able to use this life saving equipment.

Research shows that cardiac arrest is more likely to happen during sporting activities. Therefore, secondary schools with two or more defibrillators will also receive an internal cabinet, so that one defibrillator can be placed at the school sports facility. This will ensure that defibrillators are strategically placed where they are most needed and will maximise their availability to the community using the sports facility for clubs and other activities.

Research also shows that broader access to defibrillators is lower in certain areas. To address this, we will be targeting support to primary schools, special schools and alternative provision settings in areas which currently have lower provision who want to make their DFE-funded defibrillators accessible to their local community, an external defibrillator cabinet. This will support greater access to defibrillators for local communities in the areas that need it most.

The procurement for defibrillator cabinets is under way, and we expect deliveries to take place this year. More details will be released once the procurement has concluded.

[HCWS506]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Government Response to the Deposit Return Scheme Consultation

The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): The Government are publishing their response to the 2021 consultation on introducing a deposit return scheme in England, Northern Ireland, and Wales.

The consultation confirmed strong public backing, with 83% of respondents including key industry players expressing support for a deposit return scheme for single-use drinks containers. We will proceed with the scheme that covers cans and plastic bottles. The deposit return scheme will boost recycling, significantly reduce drinks containers littered in our environment, and promote a circular economy by making it easier for consumers to recycle. The scheme aims to ensure 85% fewer drinks containers are discarded as litter after three years of its launch.

Today's publication is a critical milestone as it triggers the start for work towards, introducing the deposit return scheme in October 2025.

Government will take secondary legislation through Parliament to establish the necessary framework and obligations. The Welsh Government will take legislation through the Senedd. This will be an industry led scheme, and we will work collaboratively with the relevant sectors to enable industry to establish the organisation, systems and infrastructure to operate a deposit return scheme that will provide a step change in how we manage our waste.

[HCWS507]

Independent Expert Assessment of Crustacean Mortality in the North-east of England in 2021 and 2022

The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): Today I am publishing the independent expert assessment of unusual crustacean mortality in the north-east of England in 2021 and 2022 on gov.uk.

The report documents the findings of the independent crustacean mortality expert panel convened by our chief scientific adviser, Professor Gideon Henderson.

The panel was convened in December 2022 to provide an independent scientific assessment of all the possible causes of the mass mortality incident using all relevant available data. I would like to thank the members of the panel for their work.

The independent panel concluded that pyridine or another toxic pollutant as the cause was very unlikely as was any link to dredging for the freeport.

A novel pathogen is considered by the independent panel to be the most likely cause of mortality because it could explain the key observations including mortality over a sustained period and along over 40 miles of coastline, the unusual twitching of dying crabs and the deaths being predominantly crabs rather than other species.

I will consider carefully if further analysis by the Centre for Environment, Fisheries and Aquaculture Science can ascertain conclusively the cause of this unusual mortality.

[HCWS508]

HOME DEPARTMENT

Third Party Material Consultation Response

The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines): I am pleased to announce that the Government have today published

their response to the public consultation on police requests for personal records or “third party material”. This consultation was a key component on our work to address how the criminal justice system responds to rape.

We launched this consultation to understand more about the issues surrounding police requests for personal records, how often these are unnecessary and disproportionate and how far they have a negative impact on investigation timelines.

I am grateful to all the respondents who came forward with their views and helped us to gain a clearer picture of the problems in this space. Respondents told us that victims of rape and other sexual offences are frequently subject to unnecessary and disproportionate requests for personal records, that police and CPS practice with

regards to these kinds of requests is inconsistent and that victim confidence is severely impacted by having their privacy unnecessarily invaded, and by the lengthy investigations that can result from delays in requests for personal records.

The Government are therefore committing to legislation to address the issues of unnecessary and disproportionate requests for third-party material when parliamentary time allows, and to ensuring that victims feel safe to report crime in the knowledge that their private lives will not be unnecessarily invaded.

A copy of the Government response will be placed in the Libraries of both Houses and it will also be published on gov.uk.

[HCWS505]

WRITTEN STATEMENTS

Friday 20 January 2023

	<i>Col. No.</i>		<i>Col. No.</i>
EDUCATION	11WS	ENVIRONMENT, FOOD AND RURAL AFFAIRS—	
Defibrillators in Schools	11WS	<i>continued</i>	
		Independent Expert Assessment of Crustacean	
		Mortality in the North-east of England in 2021	
		and 2022	12WS
ENVIRONMENT, FOOD AND RURAL AFFAIRS.	11WS	HOME DEPARTMENT	12WS
Government Response to the Deposit		Third Party Material Consultation Response.....	12WS
Return Scheme Consultation	11WS		

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Friday 27 January 2023**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Friday 20 January 2023

Neonatal Care (Leave and Pay) Bill [Col. 639]

As amended, considered; read the Third time and passed

Employment (Allocation of Tips) Bill [Col. 666]

Not amended, considered; read the Third time and passed

Pensions Dashboards (Prohibition of Indemnification) Bill [Col. 692]

Not amended, considered; read the Third time and passed

Shark Fins Bill [Col. 705]

As amended, considered; read the Third time and passed

Online Sale of Goods (Safety) Bill [Col. 712]

Motion for Second Reading—(Ian Mearns)

EU Settlement Scheme [Col. 720]

Debate on motion for Adjournment

Written Statements [Col. 11WS]
