

Friday
19 January 2024

Volume 743
No. 34



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Friday 19 January 2024

House of Commons

Friday 19 January 2024

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

James Daly (Bury North) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163) and negatived.

Building Societies Act 1986 (Amendment) Bill

Second Reading

9.34 am

Julie Elliott (Sunderland Central) (Lab): I beg to move, That the Bill be now read a Second time.

It was a privilege to come out at the top of the private Member's Bill ballot for this parliamentary Session. It is a ballot I have entered at every opportunity since I was first elected in 2010, so it was great to be drawn, but to be drawn first is a huge responsibility. I was on my way to get the train to my constituency in Sunderland, and when I got off the tube at King's Cross, my phone had dozens of messages. My immediate reaction was that the Government must have called a general election, but no—that is something else we can look forward to in the year ahead. I had, in fact, been drawn at the top of the ballot.

I am delighted to be here in the Chamber to present a Bill that will make important and long-awaited amendments to the Building Societies Act 1986. It is a Bill that the sector wants; a Bill that is true to Labour and Co-operative values; and, importantly, a Bill that has received Government support. Although it will not solve all of the issues in the broken housing market, it could free up and make available more money to lend in mortgages, and because building societies lend more in percentage terms to first-time buyers, it should enable more first-time buyers to get on to the housing ladder. Clearly, there also needs to be wholesale reform of the rental market, in order to address the housing crisis that we have in this country today.

I must take this opportunity to thank everyone who contacted me about issues and with proposals for potential Bills. I would have happily taken many of them forward, but I could choose only one Bill. However, I feel that the Bill I have chosen can make a real difference to people's lives, especially young people's lives. I hope it will support first-time buyers and more community-based banking, in the interests of working people.

Christian Wakeford (Bury South) (Lab): The entire point of building societies was to compete with banks on a truly level playing field—they were founded to enable working people to own their own home. That is why this Bill is so important. As my hon. Friend says, it will expand that ownership, particularly to young people and first-time buyers. Does she agree that not only should we absolutely be doing this, but it should already have been done?

Julie Elliott: I absolutely agree, but the bureaucracy of Government sometimes gets in the way of things happening.

The Bill will help level the playing field, enabling building societies to compete more fairly with banks. It will support them to lend more money in a safe and secure way. Over half of building society lending—55%—goes to first-time buyers. Crucially, as the building society sector directs a greater proportion of lending to first-time buyers than banks do—there is a theme here—that will benefit more people looking to get on to the housing ladder.

Modernisation of building society legislation is long overdue. There are some archaic requirements about the way building societies fund themselves that put them at a competitive disadvantage compared with banks. Competition in banking is good for consumers, and given that building societies drive innovation, particularly in supporting first-time buyers, strengthening the sector is a great route to supporting aspiration across the UK at the same time as supporting a sector that works co-operatively and mutually. Building societies work for the benefit of their members up and down the country, engaging in a system of co-operative banking for mutual benefit, not for profit.

We are lucky to have three building societies in my Sunderland Central constituency: Newcastle, Yorkshire and Nationwide building societies all have branches in Sunderland, so I see at first hand the excellent support they give to members. It is incredibly important to my constituents to have a branch that they can visit to talk through any financial issues and receive the support they need face to face. I see the work of building societies as both a strong British tradition and a strong Labour tradition. I am delighted to have the support of the Co-operative party and the Building Societies Association, which represent both traditions.

The first form of a building society was in 1775, when Richard Ketley brought people together in a pub—in what is now the constituency of my hon. Friend the Member for Birmingham, Ladywood (Shabana Mahmood)—to put money into a shared fund, collecting regular subscriptions until there were sufficient funds to be able to provide a house for one of them. They drew names, very much like the drawing of names for a private Member's Bill, to decide which member would be the next beneficiary; this continued until all members of the group had a house. The arrangement required trust, hope and a commitment by the community that no one would be left behind.

At that time, most building societies were created as terminating societies, which meant that the building society terminated trade once all its members were housed, so many were created, housed their members and then disappeared. That practice continued until 1980. By 1825—50 years after the first building society was created—over 250 terminating building societies were in operation, although it took until 1845 for the first non-termination society to be formed: the Metropolitan Equitable.

In 1836, the first legislation dealing with the industry was introduced, recognising building societies for the first time in this House through the Regulation of Benefit Building Societies Act. The legislation, along with previous court cases, led to the formal recognition of the rights of building societies as entities, resulting in a boom in the sector. By 1860, the number of building

[Julie Elliott]

societies had risen to almost 3,000. In 1874, the Building Societies Act was passed—an historic precursor to the Building Societies Act 1986, which I hope to amend through my Bill.

The history of building societies has played an important role in the history of working people supporting each other in their mutual ambition of owning their own home, and in financial institutions serving the communities they represent. It is a trend that is even more prevalent today; as banks shut branches at an alarming rate, building societies are gradually taking a bigger share of branches in the community that remain open. Building societies now account for 28% of all high street branches in the UK, as opposed to only 14% 10 years ago. Although this may be caused by the closure of bank branches in the main, it shows a commitment to keep branches open by building societies, on which so many of my constituents rely. That face-to-face engagement, personal support and visibility is so important to many people. Branches are so much more accessible to those who have specific needs, especially in the digital age, where those with internet access often have the best opportunities and access to the best deals.

The original purpose of building societies embodies the famous phrase in clause 4 of the Labour party's constitution, that

“by the strength of our common endeavour we achieve more than we achieve alone”,

with communities coming together to support each other and provide a strong and secure economic foundation for their collective futures. Families in Sunderland and across the country are struggling to find a secure home. Research by the Resolution Foundation shows that 80% of 25 to 34-year-olds would prefer to buy their own home than to rent. Home ownership is something many strive for, to provide financial security and ultimately to turn a house into a home. My Bill aims to support them in doing just that.

As I have said, it is quite clear that there is a housing crisis in this country, for homeowners and renters. We must at this point consider the damage done by the previous Prime Minister and her Chancellor, and the economic damage caused by her Government to the country, especially people with mortgages. I believe we also need reform in the rental sector to sort this out. The system is broken and is not working for people. The Bill will go some way towards making the housing ownership landscape easier for all.

Sir Oliver Heald (North East Hertfordshire) (Con): I support the Bill, as I hope do Members across all parties. It is good to see something that will, hopefully, strengthen the principle of mutuality. Does the hon. Lady agree that is an important principle to retain, and is she confident that her Bill will do that? Will it lead to a situation in which there is less desire among building societies to become banks?

Julie Elliott: I agree. Building societies were certainly part of my life when I was growing up. I got my first mortgage with a building society—a very long time ago, because I am getting old. The principle of mutuality is really important and does set building societies apart from banks. They are a very different model and serve communities in a much closer way than banks do.

By introducing welcome flexibility to a sector that does so much for first-time buyers and others, the Bill, although it does not directly provide provision for the building of homes or assure the retail customer of any extended product lines, does provide more room for the sector to work in, given that its use of finance is different from that of banks as it lends significant amounts of money to first-time buyers.

The building society sector is made up of 42 separate building societies and currently has almost 26 million members. It holds over £352 billion of mortgage assets and £313 billion of savings from individuals. It is not a small sector, but it is a sector that can grow.

Building societies face significant challenges. The Bill has the potential to unlock billions of pounds in additional lending capacity for them. It is estimated that for every £10 billion of new lending capacity, the sector could support an additional 20,000 mortgages. As we know, over half of building society lending goes to first-time buyers, so the potential impact of the Bill is huge. Since 2020, building societies in the north-east and Cumbria have lent £3.4 billion to first-time buyers. In the first nine months of last year, they supported nearly 4,000 first-time buyers—4,000 people who last year started their journey of home ownership, with all the financial security and benefits that brings. Increasing lending capacity is incredibly important in supporting hard-working people. It is essential to the UK's future prosperity and desperately needed for economic growth.

I want briefly to run through the four clauses of the Bill and the impact the changes will have. It is not a standalone Bill; it amends the Building Societies Act 1986 by inserting new provisions. Clause 1 deals with funds that can be disregarded by a building society for the purpose of calculating its wholesale funding limit. The 1986 Act currently requires them to obtain at least 50% of funding from their members—from individual member deposits. The retention of this 50% minimum requirement ensures that the members remain the primary owners of building societies; it is what makes the sector so unique. The other 50% can come from external sources. This balance will not be changed, but there is a need to modernise the rules governing the sector in order for building societies to compete with banks on a level playing field.

The Prudential Regulation Authority and the Financial Conduct Authority engaged with the sector on this issue in 2021. The conclusion of the Government's consultation recommended the exclusion of some sources of funding from building societies' wholesale funding limit calculations, as well as the modernisation elements that come later in the Bill. The recommendations were never implemented, which is why the Bill is needed.

Clause 1 will disregard the following from the 50% wholesale funding limit: Bank of England liquidity insurance facilities, debt instruments raised to meet the minimum regulatory requirement for own funds and eligible liabilities requirements, and sums received under sale and repurchase agreements, with a view to complying with Prudential Regulation Authority rules.

These changes will not dilute the unique ownership model under which building societies operate. They will not increase the financial risk to the sector, because these liquidity insurance facilities, the debt instruments and the sale and repurchase agreement sums will be effective tools at a time of national economic crisis to

ensure that building societies remain comfortably solvent and active in the interests of their members. These changes will help to future-proof building societies from external factors, economic shocks or periods of financial stress.

The specified facilities and so on will be described in a statutory instrument laid by the Government of the day, which will provide additional detail to allow the funding disregards broadly described in subsection (2) to be activated. The Bill is designed so that any Government at any given time can react to the needs of the building society sector, the Bank of England and the Prudential Regulation Authority. Enabling such changes in regulation to be made by means of secondary legislation will make the sector much more sustainable and able to react to changes in circumstance.

The changes presented in the Bill formed part of the Edinburgh reforms. All the responses to the Government consultation were in support of these changes. Prudent lending is crucial to the UK's economic growth. Making this change will make building societies safe, more secure, and competitive in the long term, without affecting their status as mutuals.

Clause 2 is about modernisation. It amends the 1986 Act to explicitly allow the option of real-time virtual member participation in building society meetings. The change presented in the Bill aligns the sector with modernisations made to company law by section 360A of the Companies Act 2006. It will allow virtual attendance and voting as part of hybrid meetings, making it clear that nothing in the 1986 Act precludes this. Allowing hybrid meetings will improve accessibility and will hopefully allow engagement from members who cannot currently travel to meetings, enabling a broader cross-section of members to participate.

Clause 3 is another modernising clause. In simple terms, it will enable the Treasury to introduce increased flexibility for societies in relation to common seals and the execution of documents, in line with companies. It reserves to the Treasury the right to make provision by regulations in future, upon which further consultation in the sector would be usual.

Finally, clause IV defines the territorial extent of the Bill, which covers all four nations, and specifies that the Bill “comes into force at the end of the period of two months beginning with the day on which it is passed”—the standard period set out in legislation.

The Bill has no implications for public funds, as the impact assessment shows, and does not contain any provisions that will require a money resolution or a Ways and Means resolution.

Ultimately, the Bill does a lot of things in a succinct way. It will enable the modernisation of the building society sector and brings it up to date; it will put the sector on a more level playing field with banks; and it will potentially allow them more scope for supporting their members or future members. The Bill has overwhelming support from the sector, including from the Building Societies Association, the representative body of the sector, and its members. The BSA was founded in 1869 and is now the voice of the sector, representing 42 building societies and seven credit unions, and serving 27 million members up and down the UK.

The sector has helped 3.5 million people to buy a home with mortgages totalling over £375 billion. That accounts for 23% of total outstanding mortgage balances in the UK. The building societies that the BSA represents account for 19% of cash savings in the UK, and 40% of all cash ISA balances. Across the country, the sector employs 51,500 people, both full-time and part-time, working in around 1,300 branches in the UK. The BSA contributed greatly to the consultation process in 2021, and I am proud that it supports the Bill. I also wish to thank His Majesty's Treasury for the support it gave me in preparing for today's Second Reading.

The Bill will make building societies lend on a similar basis to banks, freeing up more money to help more working people in the UK. It has the potential to unlock billions of pounds of additional lending capacity at a time when so many people need it. I commend it to the House.

9.55 am

George Freeman (Mid Norfolk) (Con): It is a huge pleasure able to join Friday business as a Back Bencher and to support this important Bill on behalf of my Mid Norfolk constituents. Let me start by congratulating the hon. Member for Sunderland Central (Julie Elliott) on introducing the Bill and on winning that prized first place in the ballot, so that she can make a difference with the Bill. I thank the Government for working with her and all of us who have supported her on the Bill. This is a good example of cross-party work, and of the Government working with Back Benchers in the interests of our constituents and the shared and mutual interests of the citizens of this country. I only wish more people around the country were able to see the quality of the work going on in the House on days like this.

I want, particularly, to highlight the importance of the Bill for rural areas such as mine. The hon. Lady represents the magnificently urban constituency of Sunderland Central, but I represent a magnificently the rural constituency of Mid Norfolk—114 villages and five towns. As I candidate, I rashly promised to cycle the border one Saturday morning, but then discovered it was 94 miles long. It took me rather more than one Saturday morning. Much of this country is rural, up north as well as down south and in the south west. I want to focus on the importance of the Bill and building societies in rural areas and on our town high streets in providing cash facilities, and supporting first-time-buyers and pensioners with cash.

In Dereham recently, I saw Nationwide packed, with queues outside of pensioners moving from the bank, which is closing, to support Nationwide, as Nationwide supports them. In my part of the country we have a huge number of retired folk who want cash—they do not all want to be totally digital. They value and need that interaction with a living and breathing human being when they go to save or take out cash. Nationwide Building Society is doing great work to support them. I am really keen to support the Bill, as the hon. Lady knows, largely because of that particular rural need.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I should declare that I am a member of three building societies, and until recently I had a mortgage with Nationwide. I agree with my hon. Friend about the importance of building societies in rural communities. I think of local

[*Dr Thérèse Coffey*]

examples such as Suffolk Building Society, but elsewhere around the country there is Newbury Building Society and similar. That connection to the community really matters. It is important to get on with this primary legislation, but we also need to get the negative secondary regulations through as quickly as possible so that we can boost mortgage borrowing for families who are keen to get on to the housing ladder.

George Freeman: I completely agree—my right hon. Friend makes an excellent point, and we will come to that in due course. She is absolutely right.

I want to focus on building societies in rural areas. The flight of the banks, in particular from rural areas but also from a lot of high street banking and the role they have traditionally carried out—this is partly why the Bill is so important—highlights the importance of cash in the rural economy. Many of my local small businesses are really struggling with how to bank cash properly. We also have a problem in our part of the world with ATMs now being subject to JCB theft—ATMs being ripped out of the wall. So, there is a cash problem and building societies have a really important role.

As well as reflecting the very best of old Labour, this is also, if I may say so, the very best of civic conservatism. This is Edward Burke's little platoons. This is the warp and the woof of local connected responsible civic community-based capitalism; the sort of capitalism that small platoon civic conservatism has long championed. I would argue that all parties in Government over the past 40 years have slightly forgotten that that needs to be championed. We have seen the rise and the domination of big capital, big banks and big disconnected capitalism. I am here today as a card-carrying supporter of the mutuality model and civic capitalism. I think both main parties have that in common in their different traditions and history.

On rural banking and finance, in Mid Norfolk we have five towns and 114 villages. We are not quite halfway between Cambridge and Norwich. Traditionally, it has been something of a rural backwater. It is an agricultural community, with many retirees and pensioners moving to quiet rural Norfolk. It is a real challenge to ensure that our villages remain vibrant and our towns remain thriving. The model of development over the past 40 years has been over-focused on commuter housing. People drive their cars to Norwich and Cambridge during the day, and that sucks the life out of many of our villages.

The rise of online commerce and digital retail has also taken quite a lot of the life out of many of our towns, and our high streets are struggling to remain vibrant. The Government's moves to reduce business rates has helped, but the pandemic and the cost of energy crisis, coming off the back of the Ukraine war, has hit rural areas disproportionately hard. That is a theme I will be picking up in the coming months in this House in the run-up to the Budget. Everyone has been hit by the cost of energy increase of course, but in rural areas there is a double triple whammy. Every member of staff in a company has to drive. Most of my relatively low-paid working families have one, two or three cars. They are not a luxury; they need them to be able to get to work. All our public services are hit—our bus services and our county council services—all across rural areas.

We are paying a double whammy because of an over-dependency on transport and heating. That huge rural impact is hitting remote backwater rural areas very hard, particularly in my part of Norfolk.

In that context, it is urgent that we encourage the revival of the rural economy. I have long believed and campaigned locally that, with a slightly different approach to planning and development in our area, we could trigger something of a rural renaissance, with many small businesses popping up off the back of the Cambridge phenomenon and the Norwich Research Park. Small businesses often start off by working from home or looking for converted farm units; they are not in the city centre, but distributed. If we can get more businesses back into villages and small towns, we will have more people of working age in communities during the day. That will reduce congestion and commuting.

The model of a vibrant rural economy is key to so many of the priorities of successive Governments. We will never get to net zero if we keep shovelling people into cars and making them commute long distances in congested traffic jams. The more we can get people to work from home or nearer to home, travelling when they need to during the day and not in peak hours, the better. That vision of rural renaissance is key, but it will never happen if young people cannot afford to buy a house near to where they work, if thriving businesses on the high street are unable to cash-up, save and deposit cash safely, and if pensioners are unable to save, take out their deposits and interact with banking in the way they have for the past 50 or 60 years. We need to ensure that we build an economy for the people who live there.

That is what my campaign, The Norfolk Way, is all about. It is a project to promote that vision of rural growth. The Bill touches on much of that. One has only to see the flight of the mainstream banks out of such areas—I know that colleagues in other constituencies see that—and the desperation that people feel, whether they are first-time buyers or pensioners.

James Daly (Bury North) (Con): My hon. Friend is making an excellent speech, but we should not see building societies as a panacea; they are closing branches in my area as well. How do we encourage building societies to keep branches open when they are closing throughout the country?

George Freeman: My hon. Friend makes an excellent point. I do not want to suggest that they are a total panacea; I am lauding and applauding Nationwide in Dereham because it is doing great work, but we need to make sure that the Bill is part of a broader approach. I hope that Treasury Ministers, thinking about the run-up to the Budget and looking ahead, will think about how we can encourage more choice, more competition and more presence from both building societies and banks. We need choice and competition in rural areas and other areas that are not well served as well as in areas that are.

The opportunity for rural renaissance was hit hard by the pandemic, as well as by the Ukraine war, with its impact on energy prices, Putin turning off the gas taps and the cost of living crisis that we have all experienced. It is in that context that the Bill represents a chink of light and has been hugely supported locally. I am delighted to have helped the hon. Member for Sunderland Central bring it to the House.

I want to say something about the banks, because over the 13 years for which I have been privileged to be the Member of Parliament for Mid Norfolk the closure of banks—a cause on which I remember fondly working with the former Prime Minister, my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), in 2009—has gradually hit much of rural Norfolk. Everyone understands that we cannot have a hugely staffed bank branch in every village, but there is a contract at the heart of the state between citizens, Governments and operations such as banks that work under regulations. Banks are there to provide a service, too, and if they are not going to provide that service we need to look at who will.

Sir Oliver Heald: Given the number of people going into banks to do their business these days, it is not unreasonable that there should be some restructuring. I think the idea of banking hubs where all the main banks club together to ensure that there is a proper facility in a town or substantial village is a good idea. Does my hon. Friend think that it is important that they should take in cash and takings from small businesses, because they do not all do that?

George Freeman: I do. My right hon. and learned Friend amplifies exactly the point I was making. He is right that sparsely populated or rural areas will often require different solutions, in the same way as small rural schools require us to network and support them through multi-academy trusts. Similarly, we need to be imaginative in how we support cash access and banking and saving in rural areas. That touches on a deep problem that I have witnessed over many years: Whitehall tends to see these problems through an urban lens, and we need to think a bit about how rural areas often need a slightly different approach. I hope that the Bill and the cross-party support for it will help to encourage the Treasury to think about how we can do more to make this a moment to encourage greater choice and competition out in the market.

It is particularly sad that the banks have stepped back from the service I described over the two or three decades in which many of them have focused rather more on big, international and complex financial trading—the derivatives that led to quite a lot of problems we had back in the great crash. It is particularly sad in Norfolk given that it is where one of our great banks, Barclays, actually started, with the Gurney and Barclay families. The first bank had its roots in King's Lynn docks. As people were required to pay duties, they required credit finance. I encourage anyone who has not been to King's Lynn to go there, as it has a beautifully regenerated and refurbished Georgian dockyard, where they can see the plaque commemorating the first credit facility that became the great Barclays bank. It is particularly sad to see a bank such as Barclays step back from the place in which it started. Everyone has history, roots and heritage, and I am not such a romantic that I expect Barclays to put a bank in every Norfolk village, but I do think there is a responsibility on all these companies to make sure that the people they are there to serve are getting the service they need.

I wish, in particular, to highlight the importance of access to cash on high streets for small businesses, as it is becoming a serious problem. I know that the Minister

understands it, and I am grateful for his acknowledgement of it. Across East Anglia, and I am sure this is happening elsewhere, we are seeing an increasing frequency of ATM raids, where JCBs are driven into banks and ATMs are taken out. However, that is the thin end of a bigger wedge, and many businesses in Dereham, Attleborough, Wymondham, Watton and Hingham are beginning to struggle with what to do with cash on a Monday morning, and many local people are struggling to find a bank they can access.

I know that many people wish to speak this morning, so I will not detain you or the House for too long, Madam Deputy Speaker, but I want to touch on mutuality, which my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) addressed earlier. We need to talk about, celebrate, champion and promote it more in this House. Some 300 years ago, we were writing the rule book for modern capitalism, defining the joint stock limited company and setting out the legal framework in English constitutional law, in common law, that drove the industrial revolution. We created limited liability companies, which allowed people to invest, raise money and back projects, and that was a key part of what this country did.

In an age of globalised capitalism and high technology, we have a challenge to make sure that capital does not become disconnected from the people who are providing the money, the savers, and the people who need the money to build businesses. For capitalism to work, we need a connection between money, the people who are saving it and the people who are borrowing it. The last crash in the City was a clear example of what happens when a disconnection is allowed to get to crisis proportions, whereby people do not know where the money that they have deposited is going and people who buy a complex derivative bond do not know what it is built on or what is underpinning it. We then have a serious problem. I am not suggesting that we go back to an agrarian revolution of trading wheat for a lift on a cart into Dereham, but I think there is a real issue in our economy in respect of connected capitalism.

Conservative Members in particular, as card-carrying advocates for the market, need to continue to champion and make clear the fact that markets work when they have values, connection and people at the heart of them. When markets are completely disconnected, they have no sense of the requirements of the people putting the capital in or taking it out, they do not value that connection and regulators do not understand the importance of the bond of responsibility between people who are trading with each other.

Mutuality is a proud tradition at the heart of the old labour movement, but it is also a proud tradition in civic conservatism—it is Burke's little platoons. In a spirit of cross-party philosophising on this Friday morning, perhaps I can put some wind in the sails of the movement for mutuality. I would love to see more mutuality in different sectors, such as in finance, banking and housing, where, clearly, the building societies have been a great reform—I would argue that the housing associations have also been a great Conservative reform in housing.

There are many examples of where we could blow on to the embers of mutuality and encourage more of it in different areas, particularly in some of our social care sectors and health provision. It should not be a stark choice between private profit and public state. There is a

[George Freeman]

whole third sector of mutuality—membership organisations that can deliver public goods, with cost reimbursement and important disciplines of financial control that are not necessarily either public sector, with all the efficiency challenges that go with it, or private sector, with all the incentives for high profit. There is a whole raft of organisations out there that we could be deploying better—in health and care, but also in criminal justice and a whole range of areas where the state has struggled in the past few decades to achieve its stated objectives.

James Daly: My hon. Friend is making an outstanding speech, and we could philosophise all day, which I am tempted to do very badly. Mutuality in the modern day requires a profit element. For all building society branches to remain open, the business has to produce a profit. Mutuality in the sense of Ketley's Building Society in 1775 is a different concept completely. We therefore should always come back to the point he makes that, for mutuality to succeed, it must be based on a civic, conservative and capitalist model. It cannot work in any other way.

George Freeman: My hon. Friend makes an excellent point and encourages me to wrap up my philosophising. He is right—I am not at all anti-profit; it is about what is done with the profit. One of the geniuses of mutuality is that the profit is recycled back in to pursue the interests of those who put in the capital in the first place.

Sir Oliver Heald: I am grateful to my hon. Friend for giving way again—I must not keep trespassing on the House's time, because I have a Bill coming up later. Does he agree that if we look at pension funds and the possibilities of extending that sort of approach into social care, there would be a lot in the idea of mutuality? Also, on the point about profit, if those funds were invested in national goods, such as important national infrastructure and things of that sort, we could all benefit, but of course it has a financial aspect to it as well.

George Freeman: Again, my right hon. and learned Friend makes the point even more eloquently than I was trying to do, and he is right. I make this point in all seriousness: in so many areas, such as infrastructure, as he says, I dream of a world in which people can put their own savings into mutual vehicles. I would love people to be able to invest in the Cambridge-Norwich railway development corporation to fund the regeneration of neglected stations, or to create and fund investment vehicles. There is a whole wealth of instruments, vehicles and bodies rooted in that fertile period of 18th and 19th-century English capitalism, and Scottish capitalism, too—the enlightenment in Edinburgh was a big part of it. We could draw on those models better in pursuit of many of our public sector objectives.

As I wrap up, I will return to the more mundane and practical issues. This is an important Bill for updating the law and giving building societies a chance to get back to where they were in the early '90s. They were responsible for something like 60% of the market; they have dropped down to 20%. We want to help building societies compete and get back to providing their core service to help those who want to save in building

societies, not banks, and first-time buyers who, particularly in my part of the world in Norfolk, do not have high salaries and are looking for a safe and reliable local building society that could hopefully help them acquire a local house built for them, rather than for commuters moving into Norfolk. We need to think about the people who are driving public services and the rural economy. For first-time buyers, this is an important measure.

As the hon. Member for Sunderland Central said in introducing the Bill, increasing lending capacity is in itself a huge step forward. I think the figure is £10 billion of extra lending capacity, which will allow the provision of another 20,000 mortgages. That is hugely important, particularly for first-time buyers. I conclude by genuinely congratulating and thanking the hon. Lady for bringing the Bill forward, the Government for working with her and us on it, and all those who have helped. The Bill strikes a small but important blow and sends a key signal that building societies are back. We want to support and help them as part of a broader commitment to civic, small, local-platoon connected capital that can help people in communities up and down this country to save and withdraw money in the way they need, which will support the local economies on which the national economy is built.

10.19 am

Jo Gideon (Stoke-on-Trent Central) (Con): I congratulate the hon. Member for Sunderland Central (Julie Elliott) on bringing forward this important Bill. As has been said, she has support across the House. It is with some trepidation that I follow my hon. Friend the Member for Mid Norfolk (George Freeman): he has taken the debate into a much wider context, as I also intended to do, although from an urban and community banking perspective. He is absolutely right about the importance of civic activity and community-based financial services, and the Bill goes a little way towards triggering that by bringing about a level playing field between building societies and banks so that they can compete more fairly.

The Bill will support building societies to do more lending in a safe and secure way, and it is welcomed by many, as the hon. Member for Sunderland Central said, including the Building Societies Association. It is a great starting point, but the economic landscape continues to change and building societies need the opportunity to remain competitive, so secondary legislation will be required to ensure that changes to regulations for other financial service providers are matched by updating the framework for building societies. The Government consulted on similar changes in 2022, and the Bill largely mirrors the proposals from the consultation, which were welcomed by the industry.

There are some modest but fundamental changes in the Bill that are really important. Building societies were founded to help working people to own a home of their own, and their mutual status means that their sole purpose is to serve their customers. They direct a greater proportion of their lending to first-time buyers than banks do, but they are constrained by archaic legislation unfit for today's economy. Without this small but important piece of legislation, the competitive playing field in lending is not as level as it could or should be.

Under the Building Societies Act 1986, building societies are subject to funding limits that their high street banking competitors are not. Those limits require at least half their funding to come from savings deposits made by retail savers. In areas such as Stoke-on-Trent, both the average savings and the number of savers are lower than in more affluent areas, and consequently smaller local building societies are restricted in the numbers of mortgages they can offer, even though they are needed.

The proposed changes to the 1986 Act will not alter the funding limit but, as the hon. Lady outlined, they will remove certain key impediments, thereby enabling building societies to lend more and ensuring that more mortgage loans are available to UK homebuyers at competitive rates, and, crucially, to first-time buyers, who are the lifeblood of the housing market, as well as those further up the ladder.

Indeed, the Bill seeks to unlock billions of pounds of extra lending for first-time buyers and homeowners. It is estimated that for every £10 billion of new lending capacity that is unlocked there is the potential to support an additional 20,000 average first-time buyers. Risk needs to be managed, but smaller building societies in particular should not be tarred with the same brush as high street banks. Regulation needs to be simplified and made easier for them, because within their customer base they cater for a group of people who are on the edge of mainstream banking.

If local building societies did not exist, some people would be entirely disenfranchised by banking, so their mission is a social one as much as a financial one. The banking sector has essentially become a risk management business. As building societies grow, they manage more risk and the regulators are not keen to take that on. Although the inertia that creates is understandable, it makes it incredibly difficult to change the system. One particular issue on which I have campaigned for some time is the one-size-fits-all regulation that burdens smaller lenders and stifles innovation in the banking and non-banking financial sector.

The Netflix movie “Bank of Dave”, which tells the story of Dave Fishwick’s journey trying to open a community bank in Burnley, hit the top 10 in America four days after its release and captured the imagination of the British public last year. Dave’s innovative ideas make sense to the nation, but the existing regulatory framework does not seem able to adapt and respond to them. I have been working with Dave Fishwick and forward-thinking organisations in the financial services sector to push for a simpler regulatory framework and to enable a model that can provide the template for the creation of community banks throughout the country.

We do not have enough regional banks or facilities such as building societies, where those who serve local people understand their needs. People do not want to be faced with a computer that simply says no. If anywhere needs a healthy local banking system in which local people feel included, it is Stoke-on-Trent—as well as Norfolk, of course. We need small businesses to be able to access loans and homebuyers to be able to secure mortgages from those who understand the people they are serving, and whose bottom line is helping their community, rather than maximum profit.

In our quest for economic growth, we know that the biggest growth sector is small businesses, which represent more than 95% of all business, yet high street banks are not lending to them because they represent the highest

risk levels. Many small businesses need to borrow to grow, and the current options are not adequate, so let us enable the smaller challenger banks and community development finance institutions to flourish, and make it easier for building societies to lend more to first-time buyers.

Building societies offer a huge opportunity. They are communities paying for the community, which matters hugely in places like Stoke-on-Trent where there is a great sense of place and pride and people want to help each other. Building societies can offer more to the community than high street banks because they have a social mission. I recently spoke to Hanley Economic building society in my constituency, and it shared its plans to use funds from dormant accounts to invest in local projects. It still protects the dormant account holder 100%, but in the meantime wants to use the business to make a difference in Stoke-on-Trent. It makes sense, because it uses local people’s money to invest in local projects.

Modernising the legislation on building societies is long overdue. Building societies were founded to help working people to own a home of their own and are an essential part of our communities. In order to be sustainable, building societies need to be allowed to grow, at least at the pace of the rest of the sector. In order to do that, they need to lend, but without the retail funding that the Bill would allow, they cannot do so effectively. Other sectors, whether that be mutuals or friendly societies, have had similar updates to bring their regulation in line with competition in the sector, so this is a crucial opportunity to enable building societies to do the same.

The Bill is an important starting point, and primary legislation is needed, but as the economic landscape changes building societies need the opportunity to remain competitive, so secondary legislation will be necessary to ensure that the legal framework is up to date. That includes measures to tidy up anomalies in the 1986 Act. One long overdue piece of legal housekeeping is to make the directors’ retirement age provisions in the Act explicitly consistent with the Equalities Act 2010. Section 60(8) of the 1986 Act states that the normal retirement age for a director of a building society is 70. A retirement age for plcs used to be set out in the Companies Act, but after the Equality Act 2010 outlawed age discrimination, the provision was deleted from the Companies Act. Nevertheless, the statutory normal retirement age has not been removed from the 1986 Act.

It may seem like a silly example, but it currently means that there are two contradictory statutory provisions. It would be much better if the retirement-age provisions of the 1986 Act were removed, as has happened for plcs. Simply because a director has just had their 70th birthday—I feel this personally—does not mean they are no longer competent. They have huge amounts of experience, they understand the market, and firing them would be demonstrably wrong for the business.

The Bill will support building societies to better weather periods of financial stress and help to minimise risk in the banking sector. Building societies have around 1,300 branches. As we heard earlier, that is down by around a fifth compared with 2015, but the number of bank branches has declined even faster, more than halving since 2015, so there is a real need for more locally based lending in communities throughout the country, as well as more encouragement of savings that stay in the community to support lending.

[Jo Gideon]

The changes in the Bill will help to level the playing field for building societies to compete more fairly with banks, and will support them to do more lending. Crucially, as the building society sector directs a greater proportion of lending to first-time buyers compared with banks, that will benefit more people looking to get on to the housing ladder. Increased lending is essential to the UK's future prosperity and economic growth.

In 2021, the Bank of England launched a project called “Strong and Simple”, the aim of which was simplification and which goes to the heart of what I was saying earlier. Smaller building societies, and smaller banks and other lending institutions, spend far too much of their time having to comply with regulations that were written for high street banks and large global billion-pound or billion-dollar businesses. If things were made less onerous for them, they could innovate more and proliferate throughout the country.

“A strong and simple prudential framework for non-systemic banks and building societies”, published by the Prudential Regulation Authority, set out a vision for simplifying the prudential requirements for smaller, domestic-focused banks and building societies while maintaining those firms' resilience. The invitation to comment seems to have met with resistance from the risk-averse industry, which in my view is based on penalising the minnows while protecting the giants, so inertia reigns and progress is slow.

I hope that small changes such as those proposed today to make for fairer competition will be the forerunner of larger reforms, such as a new framework for small domestic deposit takers that will enable the financial services sector to embrace change for the benefit of the most marginalised and under-served communities and businesses.

10.31 am

Mrs Natalie Elphicke (Dover) (Con): I am pleased to follow my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon), who made an excellent case for the importance of both the local aspect of building societies and the way in which they help people in her community, and other people in deprived communities who need to get on to the housing ladder.

I congratulate the hon. Member for Sunderland Central (Julie Elliott) on her good fortune in securing the top slot in the ballot, which is like winning the lottery for us parliamentarians on the Back Benches. Her choice of Bill is a tribute to the seriousness with which she has taken that good fortune and that responsibility. The Bill is important to my constituents in Dover and Deal and the local villages, and it will have an impact on the whole country, which really matters.

I strongly welcome the Bill's aims: to begin to level the playing field between banks and building societies by updating the funding rules for building societies—which will enable them, as we have heard, to raise additional capital, and will open up competition for the benefit of customers in the mortgage and savings markets while retaining that critical mutual model, and without reducing financial stability—and also to modernise arrangements for meetings and the execution of deeds.

I am a proud member of Principality building society. I served for six years as a main board director and chaired the group risk committee. I have a passion for the importance of mutuals in general and building societies in particular. We have heard of other mutuals and other not-for-profit organisations such as housing associations, and I agree with what was said by my hon. Friend the Member for Mid Norfolk (George Freeman), but building societies are vital in having purpose as well as, for instance, providing funds.

During my time at Principality I faced an annual re-election to the board at the annual general meeting, as did every other board director, including the chief executive. Every year now, as a member of the building society, if I am unable to attend the AGM in person I can vote electronically. That annual act of receiving and responding to the AGM papers connects me directly and personally to my building society. I enjoy looking at the papers and considering the performance and the objectives of the society, and reading about the current board members.

Let me turn first to the Bill's proposal to allow members to attend and speak at AGMs remotely, as well as to vote. Hybrid and, indeed, virtual-only meetings have become more common since covid. It will be important to consider how a decision to use hybrid arrangements will be made, and who will make it. For example, will members be consulted? Will it be the sole decision of the chief executive, or will it be a decision for the whole board?

It will be important to ensure that a decision to proceed with virtual arrangements does not diminish effective participation, and that the decision is not made for other reasons, such as to cut costs or to hold an AGM somewhere more difficult for members to get to, on the basis that they can participate virtually. This particularly matters because, as the House has recognised, physical attendance has a special value.

It should be noted that, in this Chamber, it is perfectly possible to have virtual debates, virtual questioning of Ministers and even virtual voting, all of which happened during the covid pandemic, but we now meet in person, debate in person, question Ministers in person and, over many hours and often late into the evening, vote in person. Although often considered, further modernisation of this place has been rejected. Many Members may share the view that more could be done to modernise Parliament further, but it must be noted that being together in one place has particular benefits that carry much weight.

On Lords amendment 22B to the Levelling-up and Regeneration Bill, we recently voted not to allow council meetings to be held with virtual participation. The basis of the Government's position, set out by Earl Howe in their lordships' House, included the need for councillors to interact with citizens and to be held accountable.

When I was a board member at Principality, I was subject to the scrutiny of the members who attended the AGM and the interaction and engagement that comes with that. I enjoyed and looked forward to those AGMs, which were well organised and well attended. Year after year, members would come to chat and have a cup of tea with the board of directors, which was really important.

I remember one of my regulars, Mrs Jones, who would come along with Mr Jones, who said rather less. Mrs Jones would invariably take me to task on the rate

of interest on savings, asking why it could not be higher. Members would comment on financial performance and the savings rate, and many took huge interest and pride in the building society's purpose and passion, be that the commitment to first-time buyers or the commitment to building homes.

Principality became the first building society in recent times to put “build” back into “building society.” Building societies are rooted in building homes for home ownership. I championed this renaissance at Principality, with the Ely Mill development creating quality, affordable homes and hundreds of new jobs on a brownfield industrial site in Cardiff. The first-of-its-kind project was led by Principality Commercial and the Welsh Government, leading the way for other building societies to consider how they could reconnect with their house building roots. The project was an exemplar in how to remediate brownfield land in a way that captures value and improves viability for development, and it showed again how the community purpose, focus and interest brought forward by being a building society rooted, embedded and committed to its community can make a difference.

I know at first hand that the discussions and feedback at an AGM are every bit as important for an effective board as the discussions and feedback we might have at meetings with our constituents, or in the Lobbies and corridors of Parliament, are for us. Although the provision to allow hybrid AGMs is a welcome step forward, we should not ignore the caution or concern to ensure that such changes improve, and do not detract from, engagement, all the more so because, while companies are already doing this, a building society is not just another company. It is something very special and very different. That difference means engagement, connection and participation with members. That is at the heart—in the very DNA—of what it means to be a building society.

The experience of companies has not always been to the benefit of shareholder participation. Indeed, in 2022 the Financial Reporting Council issued guidance for best practice in remote corporate meetings, with a particular focus on annual general meetings. The guidance provides helpful insights into the sorts of issues that may be beneficial for securing effective hybrid participation, including ensuring that virtual moderation is transparent, that any character limit for text questions is reasonable, and that there is fair representation between questions asked virtually and in person. If building societies choose to exercise that virtual opportunity, it will be important that they do so in line with similar best practice and their core values. They must never miss the wisdom and accountability that come from building society members such as Mrs Jones.

Clause 3 is a long-overdue amendment to align the execution of documents for building societies with that of companies. It will be heartily welcomed by company secretaries and lawyers alike. I must say, as a former transactional lawyer in banking and finance, that ensuring that the right authorities are in place, that the right people under those authorities sign the documents, and that the documents are completed in the right way, could not be more important. They are not legal unless that happens. As we consign those heavy seals to legal history, I look forward to them re-emerging in their new life as doorstops and bookends.

Let me turn to clause 1 on the funding structures of building societies. Building societies support a great number of our constituents, as we have heard. There are around 26 million customers of the 42 building societies, ably represented by the Building Societies Association. Some of those building societies are large and very familiar household names, such as Nationwide, while some are less well known nationally. Many have geographical names, such as Leeds Building Society, Coventry Building Society, the Principality, the West Brom and many others. That local aspect is key to understanding what makes building societies so special. They are not just mutual; they are rooted firmly in and for communities.

The funding structure with which building societies began, which has evolved—and the further evolution of which we are debating today—was not that of a bank. The description of their history has been set out fully and ably by the hon. Member for Sunderland Central. The clue, of course, is in the name: the building society. They were clubs of ordinary people who came together for a purpose: to get a home of their own. What an extraordinary and wonderful purpose. How very relevant that is today, as it ever was. The whole House knows that we are not building enough homes, and that the rental market is in dire need of urgent reform and, indeed, of reduction in favour of home ownership and affordable rented housing. Surely we must be due a revival of co-operative, mutual housing delivery that promotes and enables the funding and building of homes just like those early building societies. That may be something to consider further in Committee.

The Bill has secured cross-party support. In that spirit, I echo the words of the first Labour Prime Minister, Ramsay MacDonald, who said that no movement of co-operative self-help is more worthy of support than that of the building societies. He said:

“A house should be an expression of a personality, and wherever it is possible it ought to be owned, not merely rented. Would that every workman could own his own house, just as he owns his clothes.”

Those words resonate through the decades.

As we have heard, it is on the Conservative Benches that there has been a long-standing commitment to mutuality. The Conservative Prime Minister Mr Stanley Baldwin wrote of the expansion of the building societies movement that councils should use the powers of co-operation enabled by the Chamberlain Act to work with building societies: imagine—local authorities working closely with building societies to deliver homes for local people. He wrote:

“They afford abundant evidence of the growing popularity of the Building Society as a medium for the investment of savings, and of the success which has been achieved in the encouragement of thrift and independence, which was one of the main objectives of the founders of the movement. These figures indicate also a steady increase of the number of those who are becoming owners of their own homes... The work and aims of the Building Societies will commend themselves to all thinking people.”

How right he was.

As we look at this Bill, we should have firmly in the front of our minds those purposive elements of access to home ownership for working people to have a home of their own, and the public and private benefits of savings, thrift and independence; they are as relevant today as they ever were, and solutions to such issues for

[Mrs Natalie Elphicke]

ordinary working people are needed as much as ever. Linking savings and home ownership is so important. Indeed, during my time at Principality I was pleased to have the support of the Treasury Committee Chair, my hon. Friend the Member for West Worcestershire (Harriett Baldwin), in my work to promote a building society ISA, which became the help to buy ISA, to make that link through a Government-backed housing deposit savings scheme.

Although building societies strive to maintain a distinct and clear purpose and function, the current regulatory and legal framework puts them at a disadvantage to the dominantly financial purposes of banks. Today we are looking at what the Bill will do to address that disadvantage and level the playing field, but I encourage Members to consider how they too might lead the way. In Dover and Deal, we have a proud tradition of MPs and mayors being directly involved in the building society movement. It was a mayor of Dover, William Clarke, who set up the Dover Investment and Mutual Building Society—one of the early terminating societies that we heard about earlier—and it was a Member of Parliament, Sir Brook Bridges, who headed the Dover Cottage Building and Improvement Society, based in Buckland in Dover. Local people and businesses have been involved throughout the history of the movement in Dover and east Kent.

In 1846, the Dover and East Kent Building Society and the Dover Investment and Mutual Building Society felt in competition with each another—at one point, there was much rivalry between different organisations. As the movement developed, there was also the establishment in 1850 of the Dover Permanent Benefit Society, which took in the Dover Cottage Building and Improvement Society that had been set up by Sir Brook Bridges MP some years before. The list goes on, with examples of people's active engagement, active leadership, and active participation in creating, leading and delivering mutual models based and embedded in the communities they represent. All Members of Parliament and those in local governance roles have that opportunity to lead, establish and show the way. I very much commend the excellent history of those building societies in *The Dover Historian*—produced by local historian Lorraine Sencicle—as an excellent insight into the development and role of people and places for the benefit of providing housing.

Let me turn to today's changes and the matter of levelling the playing field. The banking market dominates the mortgage markets but that was not always the case. As recently as the early 1980s, building societies held the dominant position in the mortgage market. Liberalisation of the banking market during the 1980s created a massive change in participation in the mortgage market by the banks and increased mortgage fund availability. But now a small number of players dominate the market. Lloyds Banking Group is the biggest mortgage lender by outstanding balances in 2022; it has a 19% market share of mortgages, which is nearly one in five mortgages across the country. The net effect of the changes was a near-reversal of the position of dominance of the building societies and that was a result of the financial market liberalisations and changes in legislation and regulation. That is to the detriment of competition, price and availability for customers.

The Bill will go some way to levelling the playing field between building societies and banks but there is more to do. Let us consider a responsibly run financial entity like Principality with its approval for running its own internal risk ratings basis. That means it is able to use its internal models to determine the risk rate assets and can decide, on the basis of these highly technical professional models, how much capital it needs to cover its risk. It can do that; it does not need to follow the standard one-size-fits-all for other organisations. This is a tough regulatory hurdle requiring detailed and extensive engagement with the PRA and the Bank of England, and I can say at first hand that it is a tough threshold requiring forensic and detailed work because I made it one of my key priorities to help secure that approval when I chaired the group risk committee at Principality. It is taken very seriously and only responsibly run financial entities with very good technical and risk management are allowed to do that.

We should compare that with other banks such as Metro Bank, which has been a failing bank due to poor financial controls and inadequate systems, including a serious accounting scandal. Time and again Metro has been on the financial brink so no wonder it has been rejected for its AIRB—advanced internal rating-based—approval. For too long successive Governments have not backed our established responsible building sector movement and instead have favoured failing or second-rate challenger banks. I hope this matter will be explored further in Committee, but I also hope the Minister will reflect further on it.

Turning to deposit funding, the context of clause 1 is that building societies must fund 50% of their funds from customer deposits—in other words, from customer savings accounts. As we have heard, the Bill does not change the percentage but does propose to change the calculation for three funding types. This will enable building societies to go further towards the 50% threshold than currently; it will give them greater flexibility and allow them to better manage their funding streams and the price and availability of products in the interests of both the customer and competition.

However, the current dominant deposit funding approach to customer savings that applies to building societies still puts building societies at a disadvantage to banks in other ways that are not fully taken into account. The Financial Services Compensation Scheme operates on the basis of size of deposits rather than size of the risk. That disadvantages building societies because they are financed largely by their deposits while the banks are financed largely by their wholesale markets. Building societies will have more deposits and therefore will have a larger amount of deposits with regard to their overall liabilities under the scheme.

Alongside today's amendments, I hope the Bill Committee will consider the operation of the Financial Services Compensation Scheme to level the playing field for building societies, including increasing the deposit protection amount from £85,000 to £100,000 to capture more accounts, given the role of building societies in having savers; to provide better and separate protection for small and medium-sized businesses, which should be funded by those who provide SME banking services; and to provide faster access for customers in getting hold of their compensation when there is a failure, by

funding it from the Bank of England, with recovery to follow either from the failed entity or, if necessary, the FSCS levies.

Finally, I will comment on the three proposed exceptions to the funding limit that we are addressing today. These will enable building societies to raise additional capital and open up competition for the benefit of customers in the mortgage and savings market, while retaining their mutual model and without reducing financial stability. The first change is to exclude the Bank of England's support funds from the funding limits. Those funds are made available precisely for the purpose of managing financial stress events. They should not artificially dilute the calculation of savings ratios that are held by the building society. The amendment in the Bill will address that issue.

The third exception is to end the current double counting of sale and purchase agreements that support greater liquidity in challenging markets. That means that building societies will be able to better test and manage liquidity in a situation where there is a market event to which they will apply those sale and purchase of asset agreements. The second exception is to exclude financial instruments that are structured to act as a form of equity for regulated capital purposes, including—under the latest capital rules—core capital deferred shares, which are a form of common equity tier 1. Put simply, it is a form of capital raising that is entirely consistent with the mutual ethos and strengthens, rather than dilutes, the regulatory core equity limits required for financial stability. It brings in more capital to the building society, enabling it to do more for customers.

There is undoubtedly more scope for permanent mutual shares and bonds to bring significant long-term investment into building societies, housing and other assets. That has happened in some other countries, such as Australia. I understand that the Treasury has assessed that the overall effect of those three changes in relation to capital raising may be modest—but they should not be. There is an opportunity for a significant expansion of mutual funding structures. I hope that that will be considered further in Committee, including further steps to level the playing field and introduce effective competition from well-run and well-capitalised building societies.

I am grateful to the hon. Member for Sunderland Central for introducing this Bill, which I strongly support. As she has said, it has the support of Government, the Building Societies Association, and the sector and its members—it will be helpful. I would be very pleased to support the hon. Lady's work in Committee if that would be helpful to her.

10.58 am

Nicola Richards (West Bromwich East) (Con): I extend my thanks to the hon. Member for Sunderland Central (Julie Elliott) for bringing this Bill before the House. It is an honour to follow my hon. Friend the Member for Dover (Mrs Elphicke), who made a number of excellent points.

Across the country, building societies have a fascinating tale to tell about how they have become part of the social and economic fabric of the area. In my constituency of West Bromwich East, we have the headquarters of the West Brom, as it is now known, but myself and my constituents still refer to it as the West Bromwich building

society. I must declare an interest: like many of my constituents, I have had a savings account with that building society since I was a child. I still have that little purple book.

The West Brom was originally called the Co-operative Steelworkers' Society of West Bromwich. It was founded on St George's day in 1849 by 20 local citizens who appealed for people to avail themselves of the advantages of the society and thereby become their own landlords. The initial gathering of founding members took place at the former Paradise Street Methodist chapel in West Bromwich, marking the establishment of one of the earliest building societies of its kind. It comes as absolutely no surprise to me at all that the people of West Bromwich East, just like those in the rest of the Black Country, have a strong history of being innovative and respecting hard work, independence and thrift. The society aimed to enable its members to acquire property from the fruits of their own honest industry and frugality, from a common fund raised by members' contributions paid fortnightly, together with a facility to provide the safe deposit of money in large or small sums, as either temporary or permanent investments.

Over the years, the West Brom continued to grow and flourish amid periods of economic prosperity and a rise in demand for housing in the Black Country. It is worthy of mention that in 1881, a time when there were only 946 building societies across England and Wales boasting an average membership of 330 and receipts totalling just over £17,000, the West Brom stood out with over 2,500 members and an income exceeding £60,000.

In 1923, the Prime Minister Neville Chamberlain introduced the Housing Act 1923, which incentivised the private sector to engage in the extensive construction of housing, which was desperately needed. As a result, unlike its neighbouring areas, the town of West Bromwich experienced relatively low rates of unemployment during the depression, leading to strong support for building societies such as the West Bromwich. The West Bromwich has always been seen as one of the best managed and most successful societies. Its reputation for prudent lending and sound management enabled it to grow and consolidate its position during world war two and the post-war years, and to weather the storms of the early 1990s recession and property market slump.

Since its establishment, West Bromwich Building Society has undergone several relocations on West Bromwich high street before settling into its purpose-built headquarters at Providence Place in West Bromwich in 2016. One of the first constituency visits I made after I was elected to this place in 2019 was to the West Brom, where I was delighted to meet chief executive Jonathan Westhoff and learn about its enduring focus as a traditional building society. It provides a secure haven for its savers' funds and enables individuals to achieve the ultimate goal of home ownership. As a mutual entity, those principles have guided the West Brom since its inception in 1849.

Like all building societies, the principal motivation behind every decision and course of action that the West Brom takes has been the wellbeing of its members. Through initiatives such as the community grant scheme and dedicated funding, the West Brom has significantly contributed to our local communities in West Bromwich, the Black Country and the wider west midlands. I am

[*Nicola Richards*]

sure that many other hon. Members will have similar stories to tell about their local building societies in their constituencies—we have heard many already today. I am sure that many will continue to hold accounts with them.

An example of how much local people value West Bromwich Building Society is that last July, the Black Country Living Museum opened its own branch of the West Brom, which is set in 1949 and replicates the former premises in Cape Hill, Smethwick. I went there last summer, and it was amazing to see the beautiful old building, with the little yellow books. It is a great way to teach children about the history of our local community, which we are really proud of, and about financial incentives to save and home ownership.

The history of our local building societies and their success in supporting their members in home ownership show us that this model continues to endure and deliver for our constituents. But all such institutions must evolve. Given the illustrious history of many of our building societies, as I just outlined, it is only right that we continue to support them, as the Bill does. I am pleased that the Government are supporting it, as it will go a long way to supporting the nearly 23.4 million investors and 3.5 million borrowers who are members of the 42 building societies in the UK. I know that many people in my constituency and across the country rely on building societies for that most important function: providing their mortgage. Although significantly fewer people use building societies now than pre-1997, building societies still account for more than a fifth of mortgages. I have heard for myself just how vital a community asset these financial institutions are to so many people.

I know that the Building Societies Association supports the Bill and is especially pleased that the three types of funding outlined in it are to be excluded from the 50% member funding limit in the 1986 Act. Although the Bill will not make a drastic change to the operation of our building societies, it will allow them to raise a higher proportion of their funds from sources other than member savings. It has met with the approval of the financial industry, and it follows a Government consultation published in December 2021, the response to which was published in 2022. It received input from three building societies, with broad consensus that this is the right change to make, especially as it will allow more flexibility in accessing liquidity.

The Bill will allow building societies to continue to play their unique role and maintain the gap between how they and the banks operate. It will reassure consumers and the industry that we support this important part of our financial services industry, equipping building societies as they embrace the changing way we save, with increasing online options.

The example of West Bromwich is just one of many across our country. I look forward to continuing to work with the industry to do what I can to support it in this place. I am pleased that the Government have listened to the results of the consultation and are continuing to back our building societies. This Bill is the perfect demonstration of that.

11.6 am

James Daly (Bury North) (Con): I congratulate the hon. Member for Sunderland Central (Julie Elliott) on bringing her Bill to the House. I refer to my entry in the Register of Members' Financial Interests as a practising solicitor and a partner in a firm of solicitors.

When MPs stand up and say “Everything in my speech has already been said,” it feels as if they are claiming the credit for things that they have not said. But having followed such outstanding speeches—especially from my hon. Friend the Member for Dover (Mrs Elphicke), who set out the technical case for why the Bill is needed—I will keep my remarks to what I would call the social and cultural case for building societies.

In a debate on another subject in this House, I have talked about the Gigg Lane football stadium in my constituency. What does that have to do with building societies? Well, Gigg Lane was bought by a person in a capitalist society, but it is an institution of cultural and social value to the area in which it sits. The question I posed to the Minister in that debate was whether we view sporting institutions in the same way we view a branch of Tesco or Sainsbury's—great businesses though they are—or whether businesses and institutions that act within the financial market but have a great history and social contribution to make to their local area should be viewed somewhat differently. There is an argument to make about building societies in that respect.

This debate makes me nostalgic, because my university days were spent behind the counter at the Yorkshire Building Society in Huddersfield, where I worked for many years. My hon. Friend the Member for Dover spoke about being a board member of a building society; I know from my experience behind the counter talking to people that building societies are important as not only financial but social institutions. I used to see the same people coming in every day, or certainly every week. It was about company; it was about community; it was about family. That has been reflected in hon. Members' remarks today.

The building society is an institution that has been in place since Ketley's was founded in 1775, as the hon. Member for Sunderland Central noted. It is an institution that has changed to reflect society, but as politicians we must do everything we can to protect it. The Bill is fundamentally about fairness in the market in which building societies carry out their business. It is about allowing them not only to do the social good that they have done for 250 years, but to survive. We could have a huge debate about these issues.

The 1986 Act effectively allowed societies to demutualise and become fully fledged banks. We saw the and Abbey National do that. Speaking as a capitalist, it should be a good thing to have freedom of choice within the market—but is it? We have seen what has happened to the market since then, as my hon. Friend the Member for Dover ably set out. Has it benefited the banking sector? Has it benefited the country? Has it benefited the people who were members of those great institutions? Where I am from in Huddersfield, Halifax was a huge employer and a huge cultural institution, and sadly it has been somewhat diminished as a result of the actions taken and the opportunities that the 1986 Act gave it. This piece of legislation is addressing some of the problems that the previous Act put in place.

It is important to reflect briefly on the history of building societies, as the hon. Member for Sunderland Central ably did. They developed as a response to societal changes and, as has been said, they were a means to allow people with ambition, who wanted to own their own home, access to capital to do that. It was a positive; it was what I would call Disraelian conservatism. I am nowhere near as articulate as my hon. Friend the Member for Mid Norfolk (George Freeman) in this respect, but to me, Disraelian conservatism says that there are certain enduring institutions within society that Government and the state must do everything to protect. Those institutions can be viewed as the monarchy and all types of things, but I think building societies fall within that category. They do so much social good that we must be somewhat—and I hate using this word—protectionist to ensure that they are allowed to flourish. If we look at the development of societies and changes within our society, self-terminating building societies, which were terminated when all members had a house, were still going up until 1980, when the First Salisbury and District Perfect Thrift—now that is a great name for a building society—came to an end.

We have seen legislation on this subject. We saw the Building Societies Act 1874, which provided legislative backing to allow for the growth of societies, and by 1910 there were 1,723 societies in existence across the country. After that, building societies went into decline, but we saw another period of expansion in the '60s and '70s; the Building Societies Act 1962, which granted further powers to building societies, was the charger for that. We can see that legislative amendments provide building societies with the opportunity to develop their businesses, to thrive and to succeed in the market in which they sit.

I think we have 42 or 43 building societies left, and it is fundamental that we allow those building societies to thrive. We have talked at length about banking in rural areas, but I also have concerns about banking in somewhat urban areas such as mine and, I am sure, in other constituencies. In Ramsbottom, a great town within my constituency, there are no banks on the high street now. We have a banking hub, but I am afraid a banking hub does not provide the social benefit that a building society does. As a free-marketeer capitalist I am constantly looking at the profit of a Barclays Bank, or any bank, and at its social good. If an institution has a profit of £1.6 billion, which I think Barclays did for the last quarter of 2023, I wonder why there is not capacity within the system to maintain a branch presence in many towns throughout the country. Building societies, in their social and moral mission, are fundamental to our financial sector.

I do not intend to make further comments, because everything has been articulately set out, but we are blessed in this country to have institutions that have their origin in the mid-1700s and have developed and responded to social and political need. Let us bear in mind that building societies effectively increased the franchise, because the only people who could vote in the 1800s were people who owned a house. Those who were voting would not have been able to do so unless building societies had lent them the money, so they have had a huge impact in every way, shape and form. This amendment to the 1986 Act is about fairness, competition and benefiting first time buyers. It has much to recommend it and I thoroughly support it.

11.15 am

Anna Firth (Southend West) (Con): I will keep my comments brief, not least because we have had so many learned and expert speeches, particularly from my hon. Friends the Members for Dover (Mrs Elphicke) and for Mid Norfolk (George Freeman). That is not the only reason I intend to be brief. We have many important Bills that we want to discuss today, not least, of course, my own Pet Abduction Bill, which is coming next.

I congratulate the hon. Member for Sunderland Central (Julie Elliott) on introducing this important piece of legislation. I fully support it. I declare an interest immediately, as I have had a number of mortgages over my time. We have a mortgage with the Halifax and of course we have had various savings accounts, although none with building societies at the moment.

Building societies fulfil a fantastic purpose. They are often, as we have heard today, the last institution standing on many high streets, still providing a face-to-face banking service. That is exactly what is happening in my constituency in Leigh-on-Sea, which I shall come on to. I welcome the Bill because it aims to put the building societies on a more level playing field with other retail deposit takers, such as banks, particularly on their capital raising and corporate governance requirements. It will make them more competitive and they will therefore be more effective in the financial services sector. Not only will building societies offer more to consumers and my constituents, but they will offer better support to their members. I can only see positives, particularly given everything we have heard about the support that building societies give to the first-time buyer and have given for many, many years.

I am sure that we all have our stories to tell about how exciting it was when we got our first mortgage and the keys to our very first place—a flat, in my case—and about what an important step that was for us all. After someone gets their first job and starts to pay tax and make a first contribution to society and the economy, the next thing is getting their first home and becoming a stakeholder in our property-owning democracy. Sadly, that experience is not available for as many young people as it was in my time. That is a crying shame, and I hope that the Bill will lead to building societies beginning to expand even more into that first-time market.

What I really want to talk about is the fact that in recent years bank branches have closed in Southend West. I do not have a single bank in my constituency offering that essential face-to-face service. I only have the Nationwide, a fantastic building society on Leigh Broadway.

Sir Robert Buckland (South Swindon) (Con): As the Member of Parliament for Nationwide, whose headquarters are in Swindon, I am delighted that my hon. Friend mentions that building society, its leading role in mutuality in this country and its commitment to high street branches, which are a vital lifeline for our community. I am grateful to her.

Anna Firth: I am grateful to my right hon. and learned Friend for his intervention. Nationwide does so much in all constituencies where there is a branch. My Nationwide in Leigh-on-Sea has a dedicated cost of living expert who is helping the most vulnerable members of our society navigate the challenges caused by the cost

[Anna Firth]

of living crisis. The branch is also going out of its way to ensure that people who are not as tech savvy as some of the rest of us, particularly the elderly—I have a very elderly constituency on in Leigh-on-Sea—get that extra help. They have tea and tech events, which are very popular, that teach people how to use online banking and apps to manage their money. Digital exclusion is a real problem in our society, and it is so encouraging that the building societies are doing so much more. I could wax lyrical about all the other things that the Nationwide is doing, but because of the Bill that is up next, I am not going to.

I will end on the need for face-to-face banking services. The banking hub is a very good model, but none of the banks will provide such a hub if there is a building society that provides face-to-face services. But one should not exclude the other. I have been campaigning on this issue, but this is a fitting moment to pay tribute to my hon. Friend the Member for Derbyshire Dales (Miss Dines) for her “Save Our Banks” campaign, which I wholeheartedly endorse.

I fully support the Bill and thank the hon. Member for Sunderland Central for introducing it. I hope it will ensure that building societies can do even more for their local communities, not just in Southend West but across the whole country.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Minister.

11.20 am

Tulip Siddiq (Hampstead and Kilburn) (Lab): I congratulate my hon. Friend the Member for Sunderland Central (Julie Elliott) on bringing this important Bill to the House for debate. It is very lucky to get the first slot in the private Member’s Bill ballot, but it also takes a lot of work to find a Bill that generates such cross-party support and talks to such an important issue, as we have heard today. I hope you will indulge me for a minute, Madam Deputy Speaker, while I speak about the fabulous work that my hon. Friend has done in the House, because it is not often that we get to talk about and congratulate our comrades in quite this way.

My hon. Friend, who has been in the House since 2010, has done valuable work on the all-party parliamentary group on state pension inequality for women, which I am sure everyone will recognise. Before she was elected to the House, she worked closely with the National Asthma Campaign to ensure that life was easier for people who suffer from asthma, as I do. I commend her for that and for all the work she did with the GMB to change the law around the compensation paid to victims of asbestos-related diseases. This is, then, not the first piece of legislation she has worked on, but it is an important Bill and it shows how valued she is as a Member of the House.

I know how closely my hon. Friend has worked with civil servants, Ministers and the Treasury to produce a Bill that has such cross-party support and of which Treasury Ministers approve. From my dealings with them, I know that that is rare. I am delighted to say that the Opposition will back the Bill wholeheartedly today. I also acknowledge the important work of Labour’s

sister party the Co-operative party, and the wider mutual sector, including the Building Societies Association and Nationwide. They have spent a great deal of time feeding into the Bill.

As has been said throughout the debate, building societies have a long and proud tradition of supporting working people to access affordable finance. The sector continues to play an invaluable role in promoting financial responsibility and resilience among its members, including by supporting young families to take their first step on to the housing ladder.

Building societies direct a greater proportion of their lending to first-time buyers than any other part of the financial services sector. They supported 70,000 first-time buyers in the first three quarters of 2023, and since 2020 building societies have supported 360,000 first-time buyers—that is more than £63 billion provided to help people to buy their first homes. The Bill is so important because it will empower societies across the UK to raise more funds and help our vulnerable constituents.

As my hon. Friend the Member for Sunderland Central set out in her compelling speech, her Bill could unlock significant additional lending capacity from building societies to support more working people to become homeowners. The hon. Member for Mid Norfolk (George Freeman) talked about how every £10 billion of new lending capacity, secured through the changes in the Bill, will potentially support an additional 20,000 first-time buyers. I agreed wholeheartedly with everything he said; dare I say, some of his comments sounded quite socialist—[*Interruption.*] I see he does not agree with me about that.

The debate has been interesting because I have agreed with lots of the Members who have spoken. In fact, the hon. Member for Dover (Mrs Elphicke) even quoted the first Labour Prime Minister favourably. There are plenty of spaces on the Labour Benches if anyone ever wants to come across.

Building societies have never been more important in the UK’s economy and public life. As a result of the cost of living crisis, many families have, as has been noted, been forced to use their savings in the face of rising energy prices and food prices. But building societies have continued to support people to save and to build financial resilience during this very difficult period. They attracted £18.9 billion in cash savings during the first nine months of last year. They are bucking the trend of the decline in savings balances that we have seen across the wider sector. Building societies have proven resilient in the face of hardship.

Lots of Conservative Members spoke about the role that the sector played during the pandemic. Leeds building society, finding that the requests for mortgage deferrals had increased to 2,000 a day, increased its use of robotic process-automation technology to create a fully automated web form for customers. At Nationwide, a team of mortgage, technology and AI specialists trained the society’s virtual assistant, Arti, to handle common covid-related mortgage queries.

Such resilience has allowed the sector to support its members, whether through covid or the current cost of living crisis, which is why clause 1 of the Bill is so important. It will allow building societies to exclude from the funding limit funds accessed from the Bank of England in stress scenarios, types of loss-absorbing debt instruments, and sale and repurchase agreements.

That will level the playing field with banks and provide an extra level of protection for buildings societies during times of financial crisis, so that they can continue to support their members for many decades to come.

As I mentioned, in recent years we have seen many building societies adapt to new challenges and adopt exciting technologies and digital ways of working. Principality building society has delivered an online mortgage payment holiday service in partnership with the fintech company Podium Solutions. The service allows members to access a mortgage holiday repayment calculator and an online application process to better understand their mortgage outcomes.

The changes introduced by clause 2, which would allow real-time virtual participation in annual general meetings, are long overdue. Building societies have proven time and time again their ability to innovate and adapt to changing consumer behaviour. I agree with what the hon. Member for Dover said about other places having moved on, but in Parliament we do it face to face. We should cater to changing consumer behaviours, and there is no reason to subject the sector to outdated restrictions that do not apply to the wider financial services sector.

Clause 3 paves the way for reducing the administrative burden in respect of executing documents. Similar provisions are already in place for banks. That is why I will enthusiastically support the Bill. Labour believes that further legislation is needed to level the playing field, secure the future of the sector and achieve our ambition of doubling the size of the mutual and co-operative sector, in which building societies play a critical part. That is why Labour has committed to requiring financial services regulators to report annually to Parliament on how they have considered the specific needs of mutuals, including building societies.

Labour recognises the Bill as an important step forward and will give it our full support today. I look forward to being on the same page as the Treasury Minister, he will be pleased to know. And a final word of congratulations to my hon. Friend the Member for Sunderland Central, who has done a tremendous job of putting together this important Bill.

11.29 am

The Financial Secretary to the Treasury (Nigel Huddleston): I, too, congratulate the hon. Member for Sunderland Central (Julie Elliott) on, first, being lucky, and secondly, choosing to be impactful by introducing a Bill that will help to support the future growth and success of the mutuals sector. I understand that her husband, Andrew Fletcher, is in the Gallery today to observe her performance. I am sure he will be rightly proud of the work she is doing with others to make a real impact on people's lives right across the country. I know that she is driven by a desire to support building societies so that they are able to compete on a level playing field with retail banks, and I am pleased to say that the Government share that desire. That message has also been clear from the Members' speeches.

I will run through some of the comments we have heard—there were some excellent speeches. The speech by my hon. Friend the Member for Mid Norfolk (George Freeman), with his insights on Labour co-operativism and civic conservatism, was a true tour de force. As always,

he spoke passionately about the importance of mutuals in rural areas. My hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon) spoke warmly about the importance of community banking and mutuals in more urban areas, reiterating the importance of those institutions right across the country. I agree completely with her comment about the contribution of the over-70s in society.

My hon. Friend the Member for Dover (Mrs Elphicke) spoke passionately and knowledgeably about her experience with mutuals, and with Principality in particular. She raised points about the logistics of arranging virtual meetings and a few other matters. I will certainly ensure that the City Minister, my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami), is aware of some of her comments. She spoke warmly about the human experience she had and about her interactions with Mr and Mrs Jones. In this sometimes remote area of banking, we are dealing still with human beings. In a rare experience, we also heard somebody volunteer to be a member of a Bill Committee.

My hon. Friend the Member for West Bromwich East (Nicola Richards) spoke of her affection for the West Brom and the role of mutuals in the west midlands, particularly in promoting and encouraging the habit of saving among young people and promoting home ownership via mortgages.

My hon. Friend the Member for Bury North (James Daly) laid out the strong case for the social and cultural impact of building societies. He spoke about nostalgia, but made it clear that we all need to work together to ensure that building societies and mutuals also have a thriving future.

My hon. Friend the Member for Southend West (Anna Firth) expressed her appreciation for the physical presence of so many building societies that are still on our high streets, particularly in the context of digital exclusion.

We want to ensure that building societies are supported so that they can continue to give people greater choice in where they put their savings, get their mortgage or, in some cases, open their current account. Today, I want to do two things. First, I will set out why the Government value the mutual sector, demonstrated by recent steps we have taken to ensure that legislation is updated so that they are able to grow, compete and succeed in the future. Of course, many have referred to the recent consultation on some of those matters. Secondly, I will briefly outline why the Government are fully supportive of the objectives and principles of the Bill, and I hope the hon. Member for Sunderland Central will set me right if I misinterpret the details of her Bill in any way.

The Government recognise the valuable contribution that mutual businesses play in the UK economy, as well as in the local communities in which they operate. Their unique ownership model means that those businesses are driven by the core values of openness and collaboration. Every member gets a vote and therefore a direct say in how the business operates. Given their unique ethos and desire to drive positive change in society, as well as the vital role they play in our economy, it is natural that the Government have committed to supporting the mutual sector to ensure their place in our future. For example, through the Financial Services and Markets Act 2023, the Government amended the Credit Unions Act 1979

[Nigel Huddleston]

so that, since last summer, credit unions in Great Britain have been able to offer a greater range of products and services.

To date, the Government have allocated £145 million in dormant asset funding to Fair4All Finance, which works to improve the availability of affordable credit, including through support for community finance providers, thereby strengthening the growth of credit unions. Moreover, last year the Government supported the private Member's Bill of the hon. Member for Preston (Sir Mark Hendrick), which achieved Royal Assent in June 2023. The Government continue to develop a modern and supportive business environment and have asked the Law Commission to conduct reviews of the Co-operative and Community Benefit Societies Act 2014 and the Friendly Societies Act 1992.

To further support the sector, the Government are also progressing secondary legislation changes to the Building Societies Act 1986, delivering on the Edinburgh reforms. Alongside this Bill, those changes will help to modernise the 1986 Act, helping building societies to grow and compete on a more level playing field with the retail banks.

The Government see this private Member's Bill as a great way to support building societies, ensuring that they can compete with retail banks on a more level playing field while continuing to provide essential competition within the UK financial services sector. The Bill will deliver on key asks from the building societies sector. As the hon. Member for Sunderland Central set out, it makes provisions in three key areas: funds that can be disregarded by a building society for the purpose of calculating its wholesale funding limit; allowing real-time virtual member participation in building society meetings; and aligning provisions in relation to the execution of deeds and other documents with those of companies law. I will comment briefly on each of those.

The 1986 Act sets out building societies' distinctive model and other legal requirements. Under the Act, building societies are required to obtain at least 50% of their funding from individual retail deposits, thus ensuring that the members are the primary owners. That funding limit is a key feature of building societies' unique ownership model, ensuring that these businesses are mutually owned and run for the benefit of their members. While retaining that at-least-50% funding model, and thereby maintaining building societies' unique characteristics and core values, this Bill will enable the exclusion of three key sources of funding from counting towards the wholesale funding limit, which are accessed or held for regulatory purposes. Those will be further specified by the Treasury in secondary legislation.

The other amendments the Bill makes to the 1986 Act relate to the modernisation of building societies' corporate governance requirements, so that they can operate under the same modern governance flexibilities as companies. The first of those is an amendment to the 1986 Act to allow for the option of real-time virtual participation at building society meetings, which my hon. Friend the Member for Dover focused on in her speech. That change will help to modernise the day-to-day practices of these societies, promoting greater membership engagement and improving the accessibility of these meetings. This will be updated in line with rules for

retail banks operating under the Companies Act 2006, thus ensuring that building societies and retail banks are afforded the same flexibilities.

The second amendment to building societies' corporate governance requirements relates to common seals and the execution of documents. This Bill will provide the Treasury with the power to make secondary legislation to align the constitutional provisions in part 2 of the 1986 Act with updates to company law concerning common seals and the execution of documents. That will give building societies useful flexibilities that will ensure that they continue to operate on a level playing field with retail banks.

I have outlined the Government's support for the private Member's Bill brought forward by the hon. Member for Sunderland Central on Second Reading today, and I again congratulate her on it. We expect that the Bill will be greatly welcomed by the mutuals sector, and it clearly has support from Members across the House. The Government intend to work closely with the hon. Lady in progressing this legislation through Parliament. The Government's goal, and the goal of this Bill, is to modernise the Building Societies Act 1986, so that building societies are able to scale, grow and succeed into the future. For those reasons, the Bill has the Government's wholehearted support.

11.38 am

Julie Elliott: With the leave of the House, let me say what a pleasure it has been to speak in a debate in which everyone is on the same side—it is a refreshing change. It is not usual and the Minister must not think it will be the future of our confrontations. Let me thank so many Members for coming in this morning and taking part in the debate. All of them have given a slightly different perspective on why building societies are so important, and I want to refer to just a few of the points raised. I certainly did not expect this morning's debate to contain so much political history, be it on civic Conservatism or Labour history. However, I have to inform the hon. Member for Mid Norfolk (George Freeman) that the clause IV to which I referred was clause IV of the new Labour party, under the leadership of the former right hon. Member for Sedgefield, which was introduced in 1995—a very different clause IV from the old one.

I also want to thank the hon. Member for Mid Norfolk for raising the issues of rural communities and villages. I come from a beautiful village called Whitburn, in the constituency of my hon. Friend and neighbour the Member for South Shields (Mrs Lewell-Buck), so I completely understand the way in which villages rely on the services of local shops and businesses. The hon. Member may not be surprised to learn that the more deprived parts of the country, most of which are in my constituency, face many of the same issues as rural communities.

I must also mention the contribution of the hon. Member for Dover (Mrs Elphicke), who has so much experience in this context. In fact, I first met her when she was doing her work in building societies. She has done a huge amount of work and probably understands the Bill better than anyone in the House, including me—this has been a sharp learning curve. It was nice that she quoted Ramsay MacDonald, the first Labour Prime Minister. As we have been presented with such an

array of political history today, I should add that Monday will be the 100th anniversary of the first Labour Government.

As I said in my opening speech, this Bill is simple, straightforward and modernising. These are little measures that can make a massive difference, and I hope that when we discuss housing in the future, we can refer back to the difference they will make in freeing up more money and modernising the system to enable more people, particularly first-time buyers, to get on to the housing ladder.

Question put and agreed to.

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

Pet Abduction Bill

Second Reading

11.42 am

Anna Firth (Southend West) (Con): I beg to move, That the Bill be now read a Second time.

Britain is a nation of animal lovers. Our pets are part of our families. They comfort us when we are down and give us a huge amount of laughter, energy and joy when we are up—and, in fact, all the time. They make a house a home. That is why it is so heartbreaking when any one of our beloved pets is snatched away from us, and it is also why the taking, abducting or detaining of someone else's beloved pet is such a sick and cruel crime.

I would be devastated if my own lovely cavapoochon, Lottie—who, I might add, was robbed at the Westminster dog show this year, but she will be back next year, going for the full prize—or one of my two cats, Merlin and Marmalade, were abducted, and I know that my esteemed predecessor Sir David Amess felt exactly the same about his beloved pugs, Lilly and Bo. I want to pause for a moment and remember Sir David, who was the national champion of pets. He not only chaired our last debate on pet reform, in Westminster Hall, but contributed to it. I clearly have a few tricks still to learn. It is always a privilege to build on Sir David's legacy, and I have chosen to stand in this particular place in the hope that a few Members might just look behind me. Let us hope his light remains as we discuss this Bill.

In my constituency, the wonderful Ann Cushion co-founded a social enterprise called known as Tilly's Angels, alongside Helene Leader. Tilly's Angels unites owners with lost dogs and cats. It was started in 2016 and has grown enormously. Ann and Helene now have a team of 18 dedicated volunteers, and their Facebook page is followed by nearly 27,000 people in Southend's SS postcode area. I am proud that we have seven Tilly's Angels with us in the Public Gallery today.

In September 2021, a few months before I was elected, Ann was volunteering, helping to locate other people's missing dogs and cats, when she went on a fly-by visit to her sister. On returning to her van, its door was open and all four of her beautiful rescue dogs—Mandy, Micky, Ruby and Chara—were gone. She still remembers the sinking, sickening feeling of seeing those four empty dog crates. She described it to me as being as if her babies had been taken, "The pain was indescribable." Of course, it was ironic given the good work that she had been doing for many years to help others in the same situation. Luckily, because of Tilly's Angels, 20 people were out looking within an hour. Within days an army of volunteers had swung into action, and her dogs were recovered in dribs and drabs.

Of course, the vast majority of these stories are not happy. The data shows that only 12% of stolen pets find their way back to their owners. The vast majority—88%, or over 2,000 dogs and cats every year—are not recovered, which is devastating for those families and owners.

Cat theft, which is included in my Bill, is just as harrowing. Helene from Tilly's Angels told me of a lady who went into Colchester Hospital for cancer treatment, leaving her four cats in the care of a neighbour, only to find on leaving hospital that not only had the lady moved but she had taken the four cats with her, leaving no forwarding address or contact details.

Ms Lyn Brown (West Ham) (Lab): How do people do that?

Anna Firth: It is unbelievable, isn't it? Incredibly, two of the cats later reappeared in Leigh-on-Sea.

Sir Edward Leigh (Gainsborough) (Con): I support the Bill, especially in memory of my dear friend David Amess. I am a dog owner, but one thing that slightly worries me is that cats are prone to wander, which is why we love them. Kindly old ladies sometimes see a wandering cat, pick them up and take them home, feeling that they are looking after them. Can my hon. Friend assure me that innocent ladies who pick up cats will not be enmeshed in this law?

Anna Firth: I thank my right hon. Friend for making an important point. The two offences are slightly different. The offence of dog abduction will be the taking and detaining of a dog, whereas only the taking, and not the detaining, of a cat will be criminalised, because cats roam. The behaviour of the two animals is different. There is also a defence of reasonable excuse. We do not seek to criminalise the good behaviour and good intentions of old ladies and many other people.

Mrs Natalie Elphicke (Dover) (Con): I am hugely supportive of the Bill. The pain, upset and grief of losing a pet in these circumstances is terrible, as has been very well illustrated. Not every cat is a roaming cat. There are some very beautiful breeds—I might say the most special breeds—such as the Ragdoll that blesses my household, that do not roam. They are indoor cats. I would be grateful if my hon. Friend could reassure me that the indoor nature of some cats, which is very similar to that of a dog, has been adequately taken into account by her Bill.

Anna Firth: It is absolutely being taken into account; I thank my hon. Friend for raising that important point. There is no discrimination between cats and dogs when it comes to the penalty—they are being treated equally. It is only the way in which the offences are framed that is different. I absolutely take the point, and hope to illustrate it in more detail later.

Let me complete the story. Two cats reappeared, although one, sadly, reappeared dead on the road, and the other two are still unaccounted for. These tales abound wherever we go. Debbie Matthews, the daughter of the late, great Sir Bruce Forsyth—the only host, in my opinion, of “The Generation Game”—

George Freeman (Mid Norfolk) (Con): Didn't he do well?

Anna Firth: Didn't he do well.

Sir Oliver Heald (North East Hertfordshire) (Con): Keep dancing!

Anna Firth: We digress.

Debbie Matthews founded SAMPA—the Stolen and Missing Pets Alliance—after having a very similar experience, when her two dogs were stolen from a supermarket, as did Toni Clarke, who founded Pet Theft Awareness after her beautiful Siamese cat, Clooney, was stolen. The common thread that runs through all these stories is that the police response was practically non-existent. In Debbie's case, the police told her that there was no point in them coming because nothing of

value had been stolen from her car. Helen, who reported the incident of the cats I mentioned previously, was told by the police that they do not even consider a cat a possession. Of course, the approach varies across police forces—that is one problem that my Bill seeks to address—but that is simply not right and it has to change; and with this Bill, it will.

One reason that this legislation is so important is the sheer scale of these offences now. According to Direct Line, between 2018 and 2022 there were more than 12,000 dog thefts—an average of 2,400 a year, and the equivalent of seven dogs stolen every single day. Those figures are not complete, because not all forces even register such offences. Cat theft, which has been mentioned, is now catching up. According to Pet Theft Awareness, the police recorded that the number of stolen cats had jumped by 40% in 2021 to an all-time high of 560. Cat theft has quadrupled since 2015, and data from the Metropolitan police shows that cat theft as a proportion of total pet theft crimes rose from 6% in 2012 to 31% last year.

Cat theft is very much on the rise, and I am sure it is much connected with the beautiful breeds that some people have. One can only imagine the distress and anguish faced by owners of Siamese or ragdoll cats—these beautiful breeds that are kept inside—whose pets are snatched away from them. In saying that, I am not in any way diminishing the impact on me if Merlin and Marmalade, who are just normal old moggies, were taken; they are immeasurably valuable in my eyes.

I do not want to go any further without saying a huge thank you to some people who have done a lot of work on the Bill over many, many years. Dr Daniel Allen, an animal geographer from Keele University, and Debbie Matthews both campaigned for 10 years to get this far. The Conservative Animal Welfare Foundation has also done tremendous work, and is so ably led by Lorraine and Chris Platt, who I am glad are here with us today. I pay tribute to my right hon. Friends the Members for Chingford and Woodford Green (Sir Iain Duncan Smith) and for Witham (Priti Patel), and my hon. Friends the Members for Stroud (Siobhan Baillie), for Dartford (Gareth Johnson) and for Ipswich (Tom Hunt) for all their work in this area over many years. In particular, the former Lord Chancellor and Secretary of State, my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland), was so instrumental in forming and leading the pet theft taskforce. It was his ingenious idea to move away from the more difficult-to-prove offence of pet theft to the more appropriate offence of pet abduction.

Public interest intensified during the pandemic, when breeders could not breed dogs but the demand for puppies and companionship soared, and we had a paradise for callous criminals who wanted to steal other people's pets. That perfect storm of callous criminality caused a spike in pet theft, particularly of dogs, which led to the launch of the cross-Government pet theft taskforce in May 2021. It is important to stress that although this is a political issue, it is not, I hope, a party political one. The Bill has huge support from right across the House, for which I am very grateful.

That taskforce gathered evidence to understand the factors that contributed to both the perceived and real rise in pet theft. It heard concerns about the significant price rises for the UK's most sought-after dog breeds

during lockdown. According to the Dogs Trust, the price of some breeds rose by almost 90%. The number of “Buy a puppy” Google searches increased by more than 160% in the months between March and August, as everyone scrambled to buy their pandemic puppies. That led a number of sources, including animal welfare charities and experts, to suggest that those price increases almost certainly triggered the rise in pet thefts.

The findings of the pet theft taskforce showed that the emotional impact of having a pet stolen is high. Not knowing what has happened to a pet or where they are is an agonising situation to be in—one that all pet owners in the Chamber surely sympathise with. That emotional impact does not stop with the owners. The pets, too, can suffer from being taken away from their owners and thrust into an unfamiliar environment. There is also a high level of fear surrounding the victims of pet abduction. In fact, that was demonstrated to me last night when I took part in an hour-long phone-in on Iain Dale’s LBC show to talk about the Bill. Anyone who knows anything about Iain Dale knows what a massive dog lover he is. He has a walled courtyard at his house in which his two dogs, Woody and Dude, are allowed to go out, and it has a gate so that they are safe, but he is still worried and fearful that somebody else might get in. That was reflected in many of the calls, so this is still a real issue.

James Daly (Bury North) (Con): This is a good Bill and I support it, but my concern is that an offence already covers this type of criminal behaviour. I do not believe that it is the difficulty in proving that offence that is causing the problem here; it is the police not taking allegations and investigations seriously. I hope that the new offence will impact on the police response so that they take the matter seriously. Does my hon. Friend think that it will achieve that?

Anna Firth: I share my hon. Friend’s interest in that area. Of course, those are questions that I have asked myself, and I think the answer is twofold. First, the police will have to assign a unique identifier to this separate offence, so we will finally be able to see the scale of the offence and which police forces are taking it seriously and enforcing the law on it. Of course, it would not be logical to suddenly find that pet theft is happening in only one or two counties but not in others—the degree might vary, but the offence is happening all over the country. Making it compulsory for the police to assign a unique identifier will, in itself, lead to greater enforcement.

The other point, which my hon. Friend does not directly touch on, is the sentencing for this offence. He will know that there have been many attempts to strengthen the sentencing guidelines, but he will also know, as a lawyer himself, about the separation of powers and that that is not a role for this place. However, by having a separate offence, there will be separate sentencing guidelines. I hope he is assured by that.

George Freeman: I strongly support the Bill and hope to catch Madam Deputy Speaker’s eye a little later.

On the point about the obligations and the legalities, I am reminded of a good friend of mine whose dog strayed on Hampstead Heath, was picked up by somebody, tied on a railing with a piece of string, and then stolen. Will my hon. Friend, and/or the Minister remind the

House about the current differential obligations for dogs and cats, and what one is bound in law to do if one finds a dog or a cat at the moment, and under this Bill? What are everyone’s responsibilities?

Anna Firth: My hon. Friend raises a very important and interesting point, which we could discuss because there are already obligations on the statute book, as he knows. I will come on to deal with some of the points he has raised.

I want to turn next to the purposes of the Bill. The golden thread running through this Bill is that dogs and cats are sentient beings. They are not mere property; animals and humans can and do form emotional bonds and there is a devastating impact when animal abduction takes place, both on people and on pets. That needs to be properly reflected in our criminal law.

Hon. Members will know that the theft of a cat or dog is already a crime under the Theft Act 1968 and the Theft Act (Northern Ireland) 1969, but under those Acts the sentience and intrinsic value of animals is not recognised. So currently, in sentencing, a stolen rescue labrador is treated as no different from a stolen power tool, mobile phone, or computer—indeed, the theft of a labrador is probably treated as lesser since computers and smartphones are often of high value and considerations of financial value run through the Theft Act.

Pets are of course not mere property; we have heard many examples of that already in this debate. This Bill will create two specific offences of cat abduction and dog abduction in England and Northern Ireland. So if a pet is abducted, that will not be treated in the same way as the theft of a watch or a mobile phone or a power tool, all of which can easily be replaced. They might be worth a lot of money and replacing them might be inconvenient, but the item itself is not affected by the crime, whereas a pet is. The Bill recognises that pets are family, not property, and the trauma suffered by both the owner and the pet when the pet is abducted is very significant, and it is the intention of the Bill to allow the courts to consider this impact on both the owner and the welfare of the animal when deciding on the penalty.

The second issue the Bill addresses is that pet theft and abduction do not currently have a unique identifier in crime datasets. That is why it is so difficult to identify the number of pets stolen every year: it is impossible to distinguish in many police records between the theft of an inanimate object and the theft of an animal. Of course, some dogs and cats will be taken as part of a burglary or a robbery, so the fact that an animal has been involved will not be mentioned at all in police records.

In preparing for this Second Reading debate I issued freedom of information requests to all 45 territorial police forces in the UK asking for the number of pets stolen each year since 2019. The responses I received perfectly articulate the problem we face. As of this morning I had received responses from 30 of the police forces, but 12 of those 30 told me that they are unable to provide the information requested as their records do not distinguish theft of pets from general theft of objects. That means that I have only been able to compile for myself information on the covered areas, making up around 29% of the population of the UK. By introducing this unique identifier, we will help the recording of the crime and see the true extent of it.

[*Anna Firth*]

The offences themselves will cover the taking of a cat or a dog, but also the detaining of a dog. Cats and dogs are the most commonly kept pets in our country. It is now estimated that over a quarter of all adults own one or both of those pets, so dogs and cats seemed the appropriate place to start, but the species are different, and are treated differently in the Bill. The detaining offence, which we have already talked about, does not apply to cats, as they generally have more freedom to roam without their owners. The Bill is not intended to punish incidents where there has been no malice or ill intent in looking after a cat that has voluntarily come to another person's home. Many of us will have read the children's book "Six Dinner Sid", in which Sid the cat has his dinner at six different houses on the same street.

Sir Edward Leigh: This is a really important point. I am thinking of my wife's grandmother, who in our family was known as Granny Meow, because she had 14 cats. None of those cats had arrived in her home—she had gone out and picked them up, because she thought they were strays. She was a completely innocent old lady; there was no question of her stealing anything. I just want to be absolutely sure that Policeman Plod cannot knock on her door and take her to court, or could not have knocked on her door—she is long since dead, of course. I want to be absolutely assured of that, because it is important that people have that reassurance.

Anna Firth: I can absolutely assure my right hon. Friend that it is specifically stated in the Bill that it is a defence that a person is picking up stray animals, or is involving themselves with someone else's animal for good, honourable and noble reasons.

Stella Creasy (Walthamstow) (Lab/Co-op): This Bill is really important for a lot of people. Is it not the lesson of both "Six Dinner Sid" and Granny Meow—of course, at the end of "Six Dinner Sid", Sid also went to the vet six times, which was not what he was looking to do—that we really want to encourage people to get their pets chipped, so that any confusion about ownership can be resolved? That is the same for cats as for dogs.

Anna Firth: I thank the hon. Member for her excellent point—in fact, there is another excellent private Member's Bill on that topic further down the list today. She is absolutely right: we do not seek to criminalise anyone who looks after Sid, George, or any other stray cat.

The Bill includes an enabling power to extend the offences to other species of animal commonly kept as pets. If there is evidence of a significant number or a rise in cases of unlawful taking, the Government will be able to react in a dynamic way. When listening to the radio last night, I was very struck by the number of people who phoned in to talk about birds—in particular, birds of prey—being stolen, so that may well be an area that we look at in the future.

We have heard concerns about the fact that good behaviour should not be criminalised. I want to assure Members that while the Bill proposes offences meant to punish those who purposefully abduct a pet, it also creates exemptions for certain connected persons and subject to certain defences, such as a reasonable excuse for taking or detaining an animal. For example—we have already heard some examples—the offence will not

apply in situations where a couple have got a cat or a dog while living together, then have a disagreement about the ownership of that pet and go their separate ways. That could include someone who is fleeing an abusive relationship taking their valued pet with them. Refuge has raised that specific point and is very happy to see that situation exempted in the Bill.

Jane Stevenson (Wolverhampton North East) (Con): I will congratulate my hon. Friend again when I make my speech. She is raising such valuable points about the different circumstances that we will see a result of the Bill. Potentially in the future it will encompass a wider range of species than dogs and cats, so does she feel that we may need a widening of microchipping to encompass those pets? It will be difficult to prove ownership of animals that are not microchipped if they do not have distinguishing features.

Anna Firth: I thank my hon. Friend for an excellent point. The logic of that is irrefutable, and I agree with it wholeheartedly.

James Daly: The lawyer in me is coming out here. Does "lawful control" mean ownership?

Anna Firth: I am almost certain that it does, but I will have to refer to my notes to be precise. Perhaps I could come back to my hon. Friend on that, but it extends wider than ownership. It is designed to encompass a vet, a dog sitter or somebody else with a role in relation to the animal in question. I hope that helps my hon. Friend.

I hope that many hon. Members in the Chamber will volunteer to be on the Bill Committee—indeed, I consider that they almost have volunteered. It is so important that we do not over-criminalise well-meaning behaviour. The situation in relation to stray dogs, where people have simply meant to provide shelter to an animal for a reasonable period of time if they believe it to be without a home, will not be caught by the Bill. In Northern Ireland, a defence will apply to a person finding an unaccompanied dog.

Most importantly, the Bill will introduce a new offence whereby if someone is found guilty of dog or cat abduction, the offender will be liable to a fine and up to five years in prison. The maximum term of imprisonment is comparable with provisions for animal welfare offences under the Animal Welfare Act 2006 and the Welfare of Animals Act (Northern Ireland) 2011. The Bill lays a marker that the abduction of our beloved pets will not be tolerated. Any distress caused should be taken into account, and the Bill will also give the opportunity for monitoring.

Mrs Elphicke: I would like to reflect on cats, particularly the enormously precious indoor cat breeds. In relation to the sentencing provisions, how will the distress to the animal be demonstrated to the court? Does my hon. Friend consider that there might be a victim witness statement from the owner or usual keeper, or a statement from a vet? In what way does she consider that the distress may be evidenced adequately to the court?

Anna Firth: My hon. Friend makes an excellent point. I cannot be prescriptive today about how that will be demonstrated, but I can assure her that there would have to be evidence. The court could not take distress into account without some reasonable evidence. Sometimes,

that evidence will be self-evident. Sometimes, it will be provided by owners or passers-by. I am not suggesting that it would have to be expert evidence, but there should be some evidence for the court to look at.

Finally, I pay tribute to all the organisations that have been involved in getting us to this stage. I have mentioned the Conservative Animal Welfare Foundation; I should also like to mention Cats Protection, the Dogs Trust, Battersea Dogs & Cats Home, Refuge, Iain Dale and LBC, and of course Southend's own Tilly's Angels, and thank them for all their invaluable support and engagement with the Bill.

If the Bill is enacted, we will have better protections for our pets, we will have offences that duly recognise that our pets are sentient beings, we will be better able to record and track pet abduction, we will have a better deterrent, and I hope we will see a prosecution rate greater than 1%, which is what it is now. Pets are valuable and much-loved members of our family. They ask little of us in return for their love and loyalty—

George Freeman: Not cats.

Anna Firth: Except in the case of some cats, pets ask little other than that we keep them safe. They deserve our support and protection. I thank hon. Members on both sides of the House for their support.

12.15 pm

Ms Lyn Brown (West Ham) (Lab): Can I say first of all that my dog is truly the most amazing small loving creature in the entire universe and that I will not be challenged on that in this Chamber? Can I also say that she was robbed at the Westminster dog of the year show? We had ensured that she would win the online poll by a zillion votes, but Mr Speaker managed to pick up the prize and Cara was completely and utterly ignored. I promised Cara that I would never, ever put her through such an outrageously unfair test of her beauty and her amazingness again.

Cara is truly a member of our family. She is amazing with constituents. She comes to my surgery. If a constituent is upset, she gets off the chair, waddles over and sits there to be stroked. In fact, she has got me in trouble more than once by recognising a constituent in the street and going over to say hello. I have said, "I'm so sorry—she's very friendly," and been told, "Yes, we met two weeks ago. She clearly remembers me."

Jane Stevenson: It is wonderful to hear about the hon. Lady's dog, who I enjoyed meeting at the Westminster dog of the year show. In the interests of today's debate and our cross-party unity on the issue, it is important to realise that when we are talking about the best dog or cat in the world, many things can be the best together. Each Member's pet could fulfil the role that the hon. Lady describes.

Ms Brown: I am not sure that Cara would agree with that, so I am hesitant to agree with the hon. Lady, but I take her point. Cara is truly a member of our family; the entire family would be absolutely devastated if somebody were to take her from me. I would go to pieces, to be honest.

A number of my constituents, particularly through the lockdown period, contacted me about dog theft—both the fear and the actuality of it. Sadly, my constituents did not get their animals back at all. I know that there

was a big market for them during lockdown, and because of the cost of living crisis—I make no political point about this—we are sadly seeing many more dogs landing at Dogs Trust and the Battersea Dogs & Cats Home because people can no longer afford to feed them.

I will not keep the House long in addressing the Bill, but I want to speak on behalf of Kim, who has a disability. She absolutely adores her dogs, but she tells me she no longer feels safe in taking them out. She does not feel that she would be able to defend them if somebody should come and try to take them from her.

She was particularly impacted after a friend, who was 84 years of age, had her terrier snatched from her while she was out on a walk. I know how terrifying and how emotionally devastating that must have been, because it would be like witnessing an assault or a kidnap of a member of her family—of such an emotional support for somebody of that age. It would have been just horrific.

I know things are no different for cat owners, and I am genuinely very pleased that this Bill recognises the need to protect cats in the same way. There is clearly very broad agreement that greater legal clarity and strength is needed in this area of law so that our closest animal companions are not treated as property, but rather our relationship with them as a society is reflected in law. The Bill has been a long time coming, and I am genuinely very grateful to the hon. Member for Southend West (Anna Firth) for bringing it forward. I am not going to delay the passage of this long-awaited Bill, so will leave it there, but I want to say how delighted I was to see it and how pleased I am to have been able to speak in favour of it today.

12.20 pm

Sir Robert Buckland (South Swindon) (Con): It is a pleasure to follow the hon. Member for West Ham (Ms Brown), who spoke with passion about her devoted pet. Her story will be repeated millions of times across our country, bearing in mind our reputation—I think, in the main, our justly held reputation—as a nation of animal lovers. I will come on to some of the exceptions that we all know about in a moment.

If it is true that pets take on the characteristics of the people who look after them, then in the case of the cat who lives in my house—I put it that way rather than saying "my cat"—I would say that her propensity to be demanding and voluble may well bear some similarities to me. I leave it for the House to draw its own conclusions. Our cat is, of course, a Cats Protection cat. She is the second cat we have had in our family, both from Cats Protection, and I pay tribute to that wonderful organisation. We need never buy a cat in this country: there are tens of thousands of deserving cats who need a home, and charities such as Cats Protection provide a wonderful source of cats that need love and a home.

Our cat is named after Mrs Landingham—devotees of "The West Wing" will know that she was a great character, the President's secretary in the first two seasons of that wonderful drama—and she has been with us now for several years. As I say, the relationship between cats and their families can be a complex one, and ours is no exception, but she is well loved, particularly by my daughter, who really enjoys her company. That is another story to add to the millions of others for whom the prospect of losing their pet would be one of real trauma—and we know the cases of trauma that exist.

[*Sir Robert Buckland*]

Back in 2021, when I was in office as Justice Secretary, together with my right hon. Friend the Member for Witham (Priti Patel), who was then the Home Secretary, and my right hon. Friend the Member for Camborne and Redruth (George Eustice), who was then the Secretary of State for Environment, Food and Rural Affairs, we set up the pet theft taskforce. The taskforce consisted of not just officials from our three respective Departments but two police and crime commissioners—Katy Bourne, the Sussex PCC, and Chris Nelson, the Gloucestershire PCC—along with police leads and representatives of the Crown Prosecution Service and animal welfare groups.

We took evidence from a wealth of organisations such as the Royal Society for the Prevention of Cruelty to Animals, Dogs Trust and the Kennel Club, and indeed the Sentencing Council, bearing in mind the need to consider the interrelationship between any sentencing regime and sentencing for existing offences. It had been put very strongly at the time that we had the law of theft to cover the taking of animals and pets, and quite rightly, many lawyers said, “Well, what on earth are we doing? We don’t need another law and another layer of complexity for prosecutors and police to consider.”

However, it became abundantly clear that the treatment of animals as chattels, goods or property just does not meet the way in which society regards our pets. They are sentient beings—sentient creatures. They are much more than mere property, and therefore the definitions in the Theft Act start to become strained to breaking point. More than that, the Theft Act requires a test of dishonesty, defining theft as the dishonest appropriation of property belonging to another with the intention of permanently depriving that person of it. Those elements all have to be proved in order to prove theft. It is not just dishonesty, but an intention to permanently deprive. Herein comes the obvious line that many perpetrators would deploy, which is, “I was not intending to take this animal. I was taking it in for its welfare, and I was not going to permanently keep it.”

You can already see, Mr Deputy Speaker, some of the evidential challenges that might present themselves in proving the offence of theft, which is why the analogy with abduction seemed to me to be much more sensible. The law of child abduction has been part of our law for many decades and was last revised in the Child Abduction Act 1984. Those of us who are criminal practitioners—I see my hon. Friend the Member for Bury North (James Daly) in the Chamber—will be familiar with it. No doubt he has done cases involving child abduction, and I certainly have. It is nothing to do with dishonesty, and nothing to do with the dishonest state of mind of a person. It is all about the taking of a child from a family situation, sometimes out of the country. The consent of the child, when the child is under a certain age, is immaterial.

Sir Edward Leigh: I am getting a bit confused now. The whole point about the Theft Act is that intent has to be proved—*mens rea*. What happens when somebody takes a cat or a dog—this is precisely the point that my right hon. and learned Friend was making—and says, “I thought he was a stray so I was doing it for his welfare”? We are not going to have a great court case about the state of mind of that person, are we?

Sir Robert Buckland: No, we are not, because the provisions of the Bill give the defence of reasonable excuse or lawful authority and, in any sensible analysis of a case, a police officer or a prosecutor will, of course, bear that very much in mind when weighing up the evidence. Clearly, in the cases that my right hon. Friend envisages, cat lovers and people who are clearly interested in the welfare of animals and pets will be covered by reasonable excuse or lawful authority.

We have to acknowledge, sadly, that contrary to what happened with Granny Meow—I nearly called her Granny Pussy, but I am sure that *Hansard* will deal with that—there are groups out there that are unscrupulous, particularly regarding dogs. They profit out of the illegal and underground breeding of animals and the passing off of dogs, in particular, as pedigree breeds when in fact they are nothing of the sort. When I was Solicitor General, I had to deal with an unduly lenient sentence reference case to the Court of Appeal relating to a conspiracy involving a veterinary surgeon and people who were in effect importing greyhounds, I think, from Ireland that were sadly not pedigree breeds, and who were then profiting from selling the dogs on. That sort of trade is abusive. It involves poor welfare standards. Frankly, it involves the abuse of animals and quite rightly horrifies right-thinking people across our country.

Some might naively think that the theft of dogs in particular is an ad hoc thing done on the spur of the moment, but I am afraid that is not the case. There is evidence of organised criminality and the taking of animals that are seen to have a value. That was uncovered during the work of the taskforce. Policymakers, including me, contemplated introducing legislation to criminalise dog abduction with a power in the proposed Bill to extend it to other types of animal. I am glad that we have gone further today in having a specific offence of cat abduction. Although such behaviour seems less prevalent, there is no doubt that it happens. There are cats of very high value and people see potential money to be made. There are examples of that happening, sadly. Rather than waiting to do something, it is right that we take action to protect cats as well. The provision in the Bill to extend the type of offence to other animals is welcome. It gives lawmakers the flexibility to do that through secondary legislation.

Keeping it simple is the way forward. In previous iterations—we saw elements of this Bill in the Animal Welfare (Kept Animals) Bill that was withdrawn—there was talk about bringing in a test of dishonesty, which was a departure from the policy intent set out in the pet theft taskforce report and a complication of the situation. Sticking to dog and cat is good sense. There is a temptation to try to create a general offence about sentient mammals, but I think that is too clever by half. The Bill should commend itself to the House on the basis that it uses familiar, well-known definitions and keeps things as clear as possible.

As my hon. Friend the Minister will remember, the Animal Welfare (Sentencing) Act 2021 dramatically changed the way we deal with welfare offences. It upped the maximum sentence to five years, which was a big moment in animal welfare law reform, and it is right that the offence of abduction matches that maximum. That is welcomed by Blue Cross and by me, and it

creates consistency. Some would say it is two years less than the maximum for theft, but we are looking at a different regime.

If and when offences are brought to court, and people either plead guilty or are convicted, we want sentencers to look at that offence not only from the point of view of the keeper or the owner but with regard to the welfare effect on the animal and the condition of the dog or cat that has been abducted or taken. Therefore, we need to understand the offence from a welfare point of view. There have been some horrendous cases in which dogs that have been taken have been treated very badly and have been returned to their owners in a terrible state. We want that to be reflected in any sentence passed by a magistrates court or, indeed, a Crown court.

The sentences are either-way offences and, bearing in mind the maximum sentence of five years, they can go to the Crown court for trial or sentencing if the magistrates think their powers of sentencing are inadequate. Sadly, there will be cases in which that will happen and where the welfare of the dog or cat in question has been abused. In developing sentencing guidelines, which the independent Sentencing Council will do as a result of the new offences, it is important that the welfare of the animal will be a consideration at the heart of the way in which courts approach the sentencing exercise in these cases.

It is right that we are moving away from a rather Victorian view of animals as goods and chattels. In using the term “abduction” we are striking the right balance between the need not to complicate the law but to reflect the reality of how we view our cats, dogs and much-loved pets and the effect on their welfare of their unlawful or criminal taking. I commend my hon. Friend the Member for Southend West (Anna Firth) for her work in this area. I should put on the record that she and I were at Bar school together some years ago—I will not say how many. She is a lawyer of some distinction and experience, and a former practitioner, so it is appropriate for her to bring forward this Bill. I am delighted to support it wholeheartedly—progress, at last.

12.33 pm

Stella Creasy (Walthamstow) (Lab/Co-op): It is a genuine pleasure to contribute to the debate and to follow the comprehensive report by the hon. Member for Southend West (Anna Firth), the passion of my hon. Friend the Member for West Ham (Ms Brown), the expertise of the right hon. and learned Member for South Swindon (Sir Robert Buckland) and, of course, Granny Meow.

should declare that I have often voted in the Westminster dog of the year competition—I have obviously voted for everybody’s beautiful dog, if anybody asks—but I have never participated. I still own a rather elderly cat, who would probably not win any awards, except from me. She is not of any particular breed, apart from loved. But we recognise that pet ownership is an intrinsic part of many people’s lives, and for good reasons. There is a lot of evidence that owning a pet can help with stress. Perhaps that is why they should be mandatory in Parliament. I always thought we should be able to have them in our offices. Maybe that would help some of our conversations. They lower blood pressure and they are

good for loneliness. As a nation, half of us own a pet. In fact, the quarter of people who own a cat own more than one. We might have more people owning dogs, but we have more people being owned by multiple cats—those Six Dinner Sids.

The message the Bill sends is that this is not an insignificant matter. That answers the question from the hon. Member for Bury North (James Daly) about the need for additional legislation. One reason to legislate in this place is when we see widespread patterns of harm. There was an explosion in the number of cases of pets being stolen during the pandemic, and the response people received from the police tells us that there is something wrong with the way things are being dealt with. By legislating, we are sending a very clear message that we want that to be different.

This is a long-overdue change and I pay tribute to the pet theft taskforce—one can only imagine what its meetings were like and whether they took place in dog or cat cafés around the country. The way in which things have been slightly re-jigged for cats and dogs is also right. As Granny Meow, Six Dinner Sid and most of us know, cats are different creatures, whether they act like their owners or their owners become like them. More seriously, it is a worry to me that the experience of my constituents who have sadly experienced this challenge—one reason why I wanted to speak and support the Bill—has been so difficult with the police. The emotional impact or, frankly, the financial consequences are not being taken into account. In my short contribution, I want us to be clear that, yes absolutely, we recognise the emotional distress when somebody’s cat or dog is taken, but the trade behind that is also why legislating for this specific offence and addressing it is very worth doing.

I want to share some of the experiences of my constituents. One constituent had a Bengal cat stolen. Bengal cats can go for up to £5,000 if it is a particular type of breed. There are no other items under theft legislation of such value that we would then expect the police to say, “Well, it’s a civil matter. Sorry about the loss of your cat, but we are not going to investigate.” It is actually a very valuable item, in addition to the emotional distress. Another constituent’s son’s ex-girlfriend stole their dog. The dog was microchipped, so it was very clearly owned by the family, but the police told her that it was a civil matter and therefore they would not assist.

Again, I would just point out that there are other examples of those kinds of disputes where items have been taken and the police have clearly recognised it as theft. After all, often breaking and entering is facilitating the seizure and abduction of a pet. That is partly because some of the breeds we are talking about are incredibly valuable. A siamese cat can cost between £300 and £400 to buy. An English bulldog is £2,000 for a puppy. A dachshund is £1,500, and even a cocker spaniel is £300 to £600. It is not, therefore, a surprise that there is a trade in stealing animals and pets to re-sell. When the police response is simply to dismiss that and not even investigate, we are giving a green light for that to continue.

I fully support the Bill and the message we are sending by the clarity of having specific pet abduction legislation. It is important to have data from police forces about the scale of the crime. As we know with

[Stella Creasy]

other crimes, data is the start of the investigation. If we do not know where these crimes are taking place, we cannot then look for the patterns that help us identify the people behind them. I also recognise the distress that this crime causes. The constituents who come to me are devastated when their pets have been stolen and they feel that nobody else cares. The message we are sending from Parliament today is that we do think somebody should care and we do think it is a serious matter.

Finally, I join others in congratulating all the brilliant voluntary organisations that help us as a nation of pet lovers. The hon. Member for Southend West talked about Tilly's Angels. We have Waltham Forest for Cats and Waltham Forest 4 Dogs. They are two separate groups, obviously—like Sharks and Jets, never the twain shall meet. Those organisations rightly reflect that love and affection.

There is a lot going on in the world and, obviously, some very serious matters are facing us, but there is such a level of agreement across the Chamber that it is right to clarify things and have this legislation. We have had the frustration and disappointment of having done all the work, looked at the law and found a way through the challenges that people have identified, only to see the legislation dropped, I hope that Minister will recognise that there is full support in the House for the Bill. We just need to get this done, put the protection in place and help ensure that the 54% of us who have one can take our pet out to the park—we will try to shut our doors to prevent our cats from leaving the house and becoming the Six Dinner Sids. In that way, we will generally be confident that our pet welfare is one of the best things that we can look forward to.

Mr Deputy Speaker (Sir Roger Gale): I call Jane Stevenson.

12.40 pm

Jane Stevenson (Wolverhampton North East) (Con): Thank you, Mr Deputy Speaker. It is lovely to see an animal lover in the Chair for this important debate on pet abduction. First, I wish to commend my hon. Friend the Member for Southend West (Anna Firth) for introducing this Bill, which is one that she and I have campaigned to see brought forward for some time. It is so important to so many of our constituents. Everywhere in my constituency, I meet people who campaign on behalf of pets, proud pet lovers and fantastic volunteers. A few weeks ago, I met people from Ashmore Rescue for Cats, who do such amazing work. Its volunteers give up so much time to protect and rescue local cats. I have also met local Cats Protection officers and volunteers in Wolverhampton, all of whom have pushed for this Bill, and I am proud to mention them in the Chamber today.

It would be remiss of me not also to mention my hon. Friend's predecessor, Sir David Amess, who is much missed today. I share with her that pride of being a new patron of the Conservative Animal Welfare Foundation, so I look forward to pushing for other animal causes with her in the future.

The value of our pets to us is why this Bill is so important. The hon. Member for Walthamstow (Stella Creasy) mentioned her ageing cat, who may no longer be in the

prime of her years. My two Cavalier spaniels, Cromwell and Bertie, are about to be 12. They have very few teeth left and look a bit ragged around the edges, but to me they are the most valuable thing in my household, in my possession. If someone stole my dogs, they would face little or no punishment, because the financial value of my dogs is nothing—if anything, they are a liability, because of ever-growing vets' bills and the endless treatments that they need. They have no financial value, but this Bill will reflect the distress that my family and I would feel, and certainly my two dogs would feel, if they were to be abducted. Our fantastic Whips are not able to speak, but I did mention to my hon. Friend the Member for Stourbridge (Suzanne Webb) that her dog, Sidney Pickles, is also in strong support of this Bill, so it is good to put Sidney's support on the record, even though my hon. Friend is not currently in her place.

The whole House can unite around this important piece of new legislation. In my intervention, I made points about ownership and proof. I am pleased that the Bill is future-proofed and it is applicable to a variety of pets, because it is difficult to set a dividing line of what pet has a value and what pet is just a standard extra piece of fur that someone buys at the pet shop. For all of us, our pet, whatever its type, is important and has that emotional value. To children in families, learning how to care for pets is an important part of growing up, and learning responsibility and compassion for other people, as well as for animals.

I hope my hon. Friend the Member for Southend West will forgive me for not talking at length, because I am being sponsored by tissues and Lemsip today, but I did not want to return to my constituency without her showing my full support. It is unusual to get volunteers to serve on Bill Committees, but she knows that I am very happy to support her in this Bill in any way I can. I can see my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland) is also indicating that it will not be difficult to put together a Bill Committee. I know that Members on both sides of the Chamber care passionately about animals.

I briefly say to the Minister that it would be good to hear where the Government stand on the issue of ownership if the Bill is widened to include other breeds of animal. If there are not enough distinguishing features of guinea pigs, hamsters or whatever—ferrets have been mentioned a fair few times—that proof of ownership point is important if we want the Bill to do what it says on the tin.

On behalf of all animals, I want to lay my sincere thanks to the Government on the record. We have had meetings about this matter over many months and years, and it is fantastic to see the Government support the Bill. I wish my hon. Friend the Member for Southend West every success.

12.45 pm

Sir Oliver Heald (North East Hertfordshire) (Con): I congratulate my hon. Friend the Member for Southend West (Anna Firth) on securing the Second Reading of her Bill—an important moment. I am also somebody who came second in dog of the year—not this year, but I was the best in the east with my dog Soda, a lovely mini Schnauzer cross—but anyway, enough of that.

I remember friends having the dreadful experience of having their dog snatched—a lovely Norfolk terrier, and a bit of a character. It was a peculiar incident in a way, because the dog just suddenly yelped and disappeared. The friends put up an advertisement offering a reward, and some rather dodgy individual rang up and said, “Well, if the reward was a bit bigger...” Eventually, the dog was returned, but that gives us an example of some of the terrible behaviour. Of course, what a dreadful experience for the family, in which this dog was much loved. Eventually, the dog was returned, although it was a sad experience for the family.

There has been, as my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland) alluded to, a gap between how the law views and values animals and how the public does. A series of private Members’ Bills have started to change that and build on the work of the landmark Animal Welfare Act 2006. When I was taking through the Animal Welfare (Service Animals) Act 2019, known at the time as Finn’s law, hon. Members in all parts of the House, as well as the public, were shocked when I explained that the only effective charge when a police dog was stabbed to within an inch of his life by an escaping criminal was criminal damage. No penalty was actually imposed in that case because the police dog was nearing the end of his working life and was not worth much money, so the sentencing was based entirely on the monetary value of the damage.

I was glad to gain strong support from all parties through various hon. Members, but also from the right hon. Member for Exeter (Mr Bradshaw), who had originally taken through the 2006 Act. Through that private Member’s Bill, we managed to provide an alternative approach, enabling an Animal Welfare Act offence to be used in those sorts of cases. My hon. Friend the Member for West Dorset (Chris Loder) followed that up the next year with the Animal Welfare (Sentencing) Act 2021, which raised the maximum sentences for animal welfare offences to five years’ imprisonment.

This Bill is in the same tradition, because pet theft is just theft—a criminal offence under the Theft Act. Conviction can result in a fine or a maximum sentence of seven years, as my right hon. and learned Friend the Member for South Swindon said. The guidelines do not reflect that, because harm is assessed by reference to the financial loss that results from the theft, so pet theft is seen as a minor crime with low prosecution rates and relatively lenient sentences, but that ignores the true nature of the crime: pets are loved members of their families—it is often said that they complete their family—so when they are taken, it causes huge suffering to the family and, of course, to the animal companion who loves his or her family. This is a much more substantial crime than the current law allows.

There is a body called the Stolen and Missing Pets Alliance. It campaigns for stronger penalties and says that “pets are classified as property, second hand goods, valued under £500, the punishment is usually a measly £250 fine, if the thief is caught!”

Pet theft has been a low-risk, high-reward crime—a gift for dog thieves—so I welcome the specific crime of pet abduction in the Bill with a proper sentence attached. A new specific offence will also give courts access to appropriate custodial sentences because the sentencing guidance will have to reflect the new offence and its

wider ambit in terms of considering sentience. The new offence is right and shows that pets are more than just mere replaceable property; they are sentient beings. It also reflects the worry caused by the uncertainty to the family about the animal’s well-being.

So this would be another animal welfare measure recognising animals as more than mere property, and another successful private Member’s Bill changing law in this area. I would add that I have certainly had a lot of help from the Clerks and the Whips and I hope the same will be true for my hon. Friend the Member for Southend West—I am sure it will be.

We should also recognise that organised crime gangs have been stealing dogs to breed from, so there is a need to ensure that we are not allowing organised crime to fund its activities in this way. The difficulties in monitoring and tracking the criminals have partly been to do with police records, and having a specific offence will mean that we will know where these offences occur and be able to track patterns, which is so important in trying to really stop a crime.

The pet theft taskforce is a very good idea and I think we would all support its recommendation of finding better recording options. The only evidence on this I have seen, apart from the evidence from my hon. Friend, is from the taskforce, which tried to get a handle on whether the number of offences was increasing or not. It found that there had been a 3.5% increase in recorded cases at a time when theft cases generally had gone down by a quarter. So we had a period of declining theft but not in this area, where it was going up. As has been said, these figures are based on an incomplete set of records so they are not conclusive, but I think they would fit in with the impression that most of us have that this is a crime that is on the up, rather than the down. Therefore, this Bill is particularly welcome.

I am not going to detain the House for too long because I have a Bill coming up later, but I welcome this Bill as an opportunity to improve the welfare of animals, show public abhorrence of the crime of abducting a much-loved pet and family member and also bear down on organised crime. Therefore, I am happy to support the Bill.

12.52 pm

James Daly (Bury North) (Con): I have to say this now, having listened to the other contributions: as I walk into my front room there is a picture of me sitting with my dog Bertie with his rosette. Bertie came third in the dog of the year competition this year, but I have to add that, although my hon. Friend the Member for Castle Point (Rebecca Harris) is not her place, even I have to accept that her dog was robbed, because that dog is one of the most talented animals I have ever seen in my life and how it did not get in the top three I do not know. But that is a completely different story.

I rise to support this Bill for all the reasons that have been given. I am a member of the Home Affairs Committee and the Justice Committee and have been a criminal lawyer for the best part of two decades and I am always interested in how we can encourage the police to take seriously all types of offending, and certainly offending in this area. I agree with the hon. Member for Walthamstow (Stella Creasy) that passing this Bill would be a strong statement from Parliament and I genuinely hope the

[James Daly]

police will take up the challenge of investigating these offences properly and giving them the degree of time and seriousness they deserve.

I hope my hon. Friend the Member for Southend West (Anna Firth) will forgive me for talking now about my private Member's Bill, which is No. 7 in today's list. I hope it is appropriate to raise it and I only do so in the context of general animal welfare legislation and because it is relevant to our discussion of her Bill. What this Bill is addressing—and what we have very articulately and movingly been talking about—is the impact of the loss of a cat or dog on the owner. Sadly, sometimes when someone loses a cat in particular it is not always when it is alive; sometimes it is when it has passed. There are many instances of this. The campaign for Gizmo's law, which originates in my constituency, is a nationwide campaign that provides a basis for my private Member's Bill. It has highlighted that if a cat is found deceased on the public highway and is picked up by a local authority, it is almost certainly disposed of in landfill; no care or thought is given to the owner of the cat, who does not know where it is.

Gizmo's law is proposed through my Pets (Microchips) Bill, which I bring to the Minister's attention as it is a complementary piece of legislation. If a cat is found in such circumstances, that law would require the local authority, without cost apart from time, to make arrangements for the cat's microchip to be scanned and to make efforts—through various websites or the details that will hopefully come from the microchip; legislation on the mandatory microchipping of cats is now coming into force—to tell the owner of the cat what has happened. The loss of a cat, not only through theft but through such tragic circumstances, is an important matter that is complementary to this debate and part of the discussion about how we treat our pets.

The other part of my Bill also addresses the nuanced circumstances of how we treat our animals—in this case, dogs. I simply could not believe it when I was told about this case. Tuk's law is a campaign run from the constituency of my hon. Friend the Member for Castle Point (Rebecca Harris), on which Sue and Dawn have worked over many years. Although the number of cases is reducing, there are sadly circumstances where individuals take healthy dogs to the vet, and veterinary surgeons will euthanise the dog. No explanation needs to be given; in those circumstances, there is no requirement on the veterinary profession to scan the microchip or to make any inquiries to identify the rescue back-up—the rescue back-up being the original breeder or someone other than the owner.

That means that there is an extraordinary situation whereby, for perhaps a whole variety of reasons—perhaps a dog is barking—a neighbour, say, could decide, "I'm going to take that dog to the vet and ask for it to be put down." That genuinely happens. There have been ongoing discussions on the issue; I have been talking about it for three or four years, since I have been in the House. The veterinary profession has put a voluntary code of conduct in place, but it is not stopping these cases from happening. That example could fall within the legislation that we are talking about today.

I ask that the Minister give consideration to the widest possible scope. If we are to introduce good legislation like this, it should cover all circumstances, so

that members of the public can know what has happened to their pets, and so that healthy dogs are protected. If I were to lose Bertie in any circumstances, it would be the end of the world. If he were in an accident, the impact on me and my family would be just as great as if he were stolen. I hope the Minister will give some consideration to the Pets (Microchips) Bill—No. 7 on the Order Paper—which we will not reach today, as a complementary piece of legislation to address many of the issues we have been talking about today.

12.58 pm

Jo Gideon (Stoke-on-Trent Central) (Con): I support this incredibly important Bill, brought forward by my hon. Friend the Member for Southend West (Anna Firth). By passing this legislation, we will take action to address the growing problem of pet theft and recognise it as a specific offence. In doing so, we are honouring an important part of DEFRA's action plan for animal welfare and delivering a measure that will have a huge impact on our constituents.

For my family, as for many, pets are family members and the thought of having them stolen is incredibly distressing. Liesl von Cat and Cavalier spaniels Horatio and Arthur are truly family members, although Horatio and Arthur live in Spain, so I am not sure that they will be afforded the same protections as those we hope to deliver through the Bill.

Pets provide a lifeline, a source of companionship and a comfort in good times and bad. I know that many of my right hon. and hon. Friends feel exactly the same way about their own cats and dogs, and we have already heard many stories about them today. Unfortunately I do not have a dog, so I did not enter the Westminster dog of the year competition. I am sure that I would otherwise have won.

I have received reports of dogs being stolen from gardens in my constituency, vanishing after being let out in the evening. Thanks to the support of amazing charities such as Beauty's Legacy which work to reunite lost and stolen pets with their owners, and the Staffordshire police service that tracks down dogs, there have been local success stories with perpetrators being arrested, yet at present the theft of a treasured family pet is no more serious under the law than the theft of a phone or wallet. Pets are currently treated as mere replaceable property, akin to an inanimate object. That is not just an oversight but an insult, failing to acknowledge the emotional trauma experienced by the victims of pet abduction.

Currently, there is little under the law to deter criminals who seek to profit from the sale of stolen pets or use them as leverage in personal disputes. The penalties for pet theft are often minimal, and do not reflect the severity of the emotional turmoil inflicted on the pet and its family. This really does need to change, and the Bill seeks to address precisely that need. By making pet abduction a specific offence, we are sending the clear message that our society values the unique role that pets play in our lives, and providing a deterrent to those who might consider pet abduction a low-risk, high-reward crime. Indeed, by imposing stiffer penalties, we can dissuade potential offenders and protect our beloved animals. This is not just about punishment; it is also about prevention and protection.

We must also address the important role that the Bill will play in the improvement of tracking and data collection on pet abduction cases. That will give us insights into the scale of the problem, and help to tailor future preventive measures. Data is power, and in this case it is the power to protect our furry friends. We are indeed a nation of animal lovers, and by passing this important Bill we can continue that proud tradition. We will honour our Government's commitments, and set an example in the way we treat our animals.

I commend my hon. Friend the Member for Southend West for introducing the Bill. As the successor to Sir David Amess, she constantly strives to continue his legacy as a champion for animal welfare, and to propose important measures to improve the lives of our animals. I know that Members on both sides of the political divide will support this legislation. Animal welfare unites our parties, and together we can send that clear message that pet abduction will not be tolerated, and that pets are worth far more than mere personal property.

1.2 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a pleasure to speak in this debate. People who steal, or abduct, pets are despicable, and I am delighted that the legislation that my hon. Friend the Member for Southend West (Anna Firth) has taken up, with the support of the Government, will make it far more straightforward to put the people who do this in jail, because that is what they deserve.

I congratulate my hon. Friend on her good fortune in gaining her place in the ballot, and commend her for her wisdom in choosing this particular Bill. As she will know, the legislation was originally in the Animal Welfare (Kept Animals) Bill, and I am also delighted that she and the Government are honouring the commitment to legislate for these elements. I am confident that the Bill will fly through the House, although I am sure that both the Government and my hon. Friend will be listening to what is said about some of the finer points.

During the time when the kept animals Bill was paused, there was a significant public outcry about what should be done in respect of cats. As my hon. Friend put it so articulately in her speech, there is a slight difference between the natural instinctive attributes of different pets, but I am pleased that Government lawyers and DEFRA officials have worked hard to establish how cats can be included in the Bill.

My right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland) mentioned the taskforce. People may not realise this, but for a conviction for theft there is quite a high bar to prove that someone has been permanently deprived of a particular item. That is especially true of a living item. I am pleased that we are taking this forward. The offence of pet abduction, and the potential criminal sentence of up to five years' imprisonment, will provide an effective deterrent.

There has been discussion about a number of different police forces. I commend Suffolk police. There has been a significant increase in pet theft in the last few years, as people seek to steal much-valued pets that can be sold. My right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald)—he is not in his place, but I am sure he will be back—was right to mention the impact of organised crime. It is perhaps not on the scale of national organised crime, but certainly

local crime gangs are taking pets and then transporting them right around the country. I pay tribute to Sussex police, who found Willow, a dog that had been stolen in Suffolk, eight months later in Surrey—thanks to their activities, she was reunited with her owner.

People have talked about the Westminster dog show and others. My beloved Rizzo finally got a “highly commended” award in the Westminster dog of the year show a few years ago—just for perseverance, I think; she was old and blind. Sadly, she passed away not long after. We know—that is why we are here—that the British people care extensively about the value of their pets. That is why I think it wise to add to the legislation a power to react, through regulation, to what is happening with criminal gangs, giving us the opportunity to have more pets later. The precise details of the issues that hon. Members have raised may need further consideration.

I am glad that this consideration has been given to the issue. I recall a stray dog in the village where I used to live in Hampshire. It was just wandering around, and we took it in. Like a responsible person, I wanted to find out where the dog had come from. I made an initial inquiry at the village shop, but they did not know, and I then went to the vet. I was a bit surprised when the vet said that they were not allowed to tell me who the owner was. I understand in a wider sense, but I found it rather frustrating that I was limited in how I could connect with the owner to reunite them with their pet—I was not even allowed to know whether the dog was registered to somebody in my village. An officer from the council came and took the dog.

I wish that I had known the full details of section 150 of the Environmental Protection Act 1990, under which I could have kept the dog—at the time, I was told, “Absolutely not.” I was concerned, of course, that if the owner was not found after seven days, the dog could be euthanised. I felt that I could probably have had more effect. In that regard—having now read the legislation in detail as a Member of Parliament—I would probably have wanted to hold on to the dog, perhaps for 24 hours, just to take it to the pub or whatever. It turned out that somebody at the pub that night had lost their dog, and I was able to refer them and they were reunited the following morning. I am grateful that the Bill considers the genuine kindness of people who want to try to reunite dogs with their owners.

I have given notice to my hon. Friend the Member for Southend West and the Government that I will table one amendment. I want to change the commencement date in clause 6(1). At the moment, the Bill relies on more regulations coming through to bring it into effect. I understand that officials might want time to get guidance and so on, but I do not think that necessary. I strongly recommend that my hon. Friend changes that in Committee—I do not want to wait until Report to change it—and that some deal be done, whether for two or three months. That would be perfectly reasonable in order to ensure that once we have passed the Bill, it is passed in the Lords without many amendments.

Sir Robert Buckland: I am grateful to my right hon. Friend for raising that issue. Of course, the normal convention is that the Bill would come into force two months after Royal Assent, which is a reasonable period of time. We could delete that clause or add something to allow a slightly longer period, but she makes a powerful point.

Dr Coffey: My right hon. and learned Friend, having been a recorder and Solicitor General, is well established in the operation of the law, and I agree. Why not make it two months after Royal Assent?

I strongly support the Bill. I appreciate that there have been many private Members' Bills that latch on to an issue without really changing the law, on which there might have been questions today. There is no doubt that the change from "permanent deprivation" to "abduction" makes this a powerful Bill, and I look forward to it becoming law before the summer.

Mr Deputy Speaker (Sir Roger Gale): I call George Freeman.

1.10 pm

George Freeman (Mid Norfolk) (Con): It is a great pleasure to speak in this debate, Mr Deputy Speaker. I pay tribute to you for your long-standing work on animal welfare issues in this House over the years. I will be brief, as I know there are a number of very good private Members' Bills waiting to be heard today.

I want to speak on behalf of the people of Mid Norfolk, and on behalf of Tosca, our 14-year-old cat, and Jassy, our two-year-old fox red Labrador. It is a joy to have their names in the *Official Report*. The pets of this country need us to act on their behalf, just like the many people who, in a civilised society, need parliamentarians to speak for them, including the children who cannot vote and all those who need us to take their interests seriously.

More importantly, for all those who have suffered the appalling trauma of pet abduction, it is not a victimless crime. For many people in this country, the abduction or theft of their pet is every bit as serious, if not more serious and traumatic, than the loss of a wallet or the other things that the police generally think of as more serious crimes. I pay tribute to my great friend, the hon. Member for Southend West (Anna Firth), for introducing this Bill and securing Government support. I also thank the Minister for her support. This enlightened Government are working with Back Benchers on both sides of the House to put in place good legislation that the people of this country want.

Our late, great friend, the former hon. Member for Southend West, David Amess—whose shield stands proudly behind his successor—would have been to the fore on this Bill. He was a great champion, as the current hon. Member for Southend West is, of pets and animal welfare.

My dear friend Marika had a beautiful miniature pinscher, which is just about the smallest dog possible. The dog became lost in the undergrowth on Hampstead Heath and somebody found him. Strangely, rather than take this tiny dog—a puppy—to someone or look for the person who had obviously lost him, this person decided, in their haste, to tie the puppy to a railing with a piece of string and abandon him. After an hour of searching, when Marika was told that the dog had been seen, she rushed to the railing to find him stolen, and the puppy's body was found just off the North Circular 24 hours later.

Five years later, the trauma is ongoing. Marika will be distressed to be reminded of it, but I know she wants me to raise the case, which she has also raised with her

local MP. She is delighted that the Bill is being debated on the Floor of the House and that the Government are supporting it.

I am conscious of time, so I will not rehearse the excellent arguments about the legalities. I simply want to take this opportunity to invite the Minister to remind those listening that the Environmental Protection Act 1990—I defer to my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland), the former Lord Chancellor and Solicitor General—made it clear that anyone who finds a stray dog has a duty in law to make sure it is returned to a person in office or to the police. The person who decided they were too busy to take Marika's dog to the park wardens at Hampstead Heath, or to anybody, and tied it up and abandoned it actually committed an offence. It is really important that people understand that as citizens, we all have a duty to dogs. Today's Bill strengthens that obligation, as well as the criminal sanctions against those who do not exercise their responsibilities and who commit this appalling crime—against pets, but every bit as appallingly, against the people who love their pets and suffer the trauma.

I want to briefly highlight some excellent work going on in Mid Norfolk, and some of the terrible stories that I have seen in my work. Cats Protection in Longham—the Opposition Front Bencher, the hon. Member for Cambridge (Daniel Zeichner), will know it well as a former candidate in Mid Norfolk—does brilliant work on rehoming and microchipping. I am really delighted to see the microchipping framework extended in this Bill. I also want to highlight DogLost in Norfolk and Suffolk, which does great work. My right hon. Friend the Member for Suffolk Coastal (Dr Coffey) supports that organisation; it has 25,000 members, which speaks to the importance of this issue across our part of the world and across the country.

Personally, I want to highlight Alex Dann of Dann's Ice Cream in North Tuddenham, who had his dog Patch stolen from beside his ice cream van. He had not lost him, neglected him or left him: while he was serving customers ice cream, somebody stole his dog, and it was reported in the excellent *Eastern Daily Press*. Rita and Philip Potter also had their Labrador Daisy stolen—I could go on. This is not a victimless crime: it is a crime that causes huge trauma. Pets are doing a huge social service for us all; many people rely on their pets, not just for the glories that they bring to daily life but to help them with mental health conditions, loneliness and a whole raft of conditions that cause huge pain. I am not suggesting that pets should be brought under the provisions of the Department of Health and Social Care, or funded for those purposes, but we should at least acknowledge that they are doing hugely important and good work, which makes the crime of pet theft all the more appalling.

Mr Deputy Speaker, I will not test your or the House's patience any further. I just want to put on record my support for this Bill and for my hon. Friend the Member for Southend West, and my joy at seeing all parties in this House come together in support of something that the public will be delighted to see Parliament putting in place.

Mr Deputy Speaker (Sir Roger Gale): I call the Opposition Front Bencher.

1.17 pm

Daniel Zeichner (Cambridge) (Lab): It is always a pleasure to follow the hon. Member for Mid Norfolk (George Freeman), I congratulate the hon. Member for Southend West (Anna Firth) on her success in the ballot, on introducing this Bill, and also on her very comprehensive introduction to the debate. We have heard excellent speeches on both sides of the House—I thoroughly enjoyed the contributions from my hon. Friends the Members for Walthamstow (Stella Creasy) and for West Ham (Ms Brown), and I listened closely to the right hon. and learned Member for South Swindon (Sir Robert Buckland) and commend him for his expertise and good work on this issue. Of course, I also listened closely to my near neighbour the right hon. and learned Member for North East Hertfordshire (Sir Oliver Heald), who is not in his place at the moment.

I would also like to associate myself with the hon. Member for Southend West's warm words about her predecessor and our former colleague, the late Sir David Amess. Sir David's office was close to mine over in 1 Parliament Street, and we often chatted in the lift, sometimes conspiring together to try to expedite or improve legislation relating to animal welfare. He remains very much missed.

Indeed, I rather suspect Sir David would have approved even more if the Animal Welfare (Kept Animals) Bill had been proceeded with. While it is once again a pleasure to be debating the Minister today, she will no doubt be expecting me to berate her for the delays, and I hope I will not disappoint. It was actually the Minister's former colleague at DEFRA, the right hon. and learned Member for Banbury (Victoria Prentis)—now the Attorney General—who led for the Government on that Bill. We spent many days in Committee. Yes, there were amendments and suggestions, but there was also very strong support from the Opposition for what the Government were trying to do, because we were addressing

“the very real problems of the day: the suffering of caged primates; the worrying by dogs of farm animals; puppy smuggling; cruel mutilation such as ear and tail cropping; and the pain of pet theft. All that and more has been happening every day since. For almost 1,000 days, the Government have allowed those abuses to continue.”—[*Official Report*, 18 December 2023; Vol. 742, c. 1201.]

If that rant sounds familiar, it is because I said the same when we debated the Animal Welfare (Live Exports) Bill. The same question arises, and I hope that one day a Minister will address it: why was the Animal Welfare (Kept Animals) Bill pulled after all that work, when it had such strong cross-party support? Why did a change in the ministerial team mean that Conservative manifesto promises were dumped time and again? Yes, we understand that bits of the Bill are being brought forward in dribs and drabs, but that is subject to all the uncertainties and vagaries of the private Member's Bill process, without the expert evidence sessions that helpfully inform our discussions. I do not expect to get an answer, but the question remains and we will keep putting it—not least because of the strength of public feeling on these matters, as evidenced by the range of petitions linked to the Bill.

The Opposition welcome the Pet Abduction Bill. We support it and will try to improve it, but we want it done swiftly. We all know that dog and cat abduction can happen for a range of reasons, which sadly include resale, extortion, breeding and dog fighting. All those are devastating for owners and can involve distress and

sometimes cruelty to the animals involved. I am grateful to Battersea Dogs & Cats Home for sharing its thoughts ahead of the debate. Data analysis from Scotland has found that in 32% of instances of dog theft investigated in 2019-20 and 2020-21, the offence was related to domestic issues or ownership disputes regarding the dog. That shows how complex dog and cat abduction is, and how far the crime is tied to deliberately creating distress for the human victim.

Dogs and cats are now sentient beings under the law, and owners view them as part of the family, yet if a pet is stolen, the offence is treated as akin to stealing an inanimate object. Currently, although sentencing can take into account the emotional impact on the human victim, the dog or cat's financial worth is the biggest factor. That means that the punishment does not come close to fitting the crime or to acting as a deterrent.

The Opposition have been seeking action for years. Some 32 months ago, on 22 June 2021—this was before the Animal Welfare (Kept Animals) Bill—my Labour colleagues tabled amendments to the Police, Crime, Sentencing and Courts Bill to tackle pet theft. I urge interested Members to look up the very good discussion that took place. The Government batted away our efforts, and it took until the penultimate day of the Animal Welfare (Kept Animals) Bill for the Government to table what was, I have to say, a panicky and poorly drafted amendment. That amendment was debated on 18 November 2021; again, I urge interested Members to read the debate. Interestingly, that was after the pet theft taskforce had reported.

At the time, I expressed some surprise that pet theft had been smuggled in “through the back door”, as I put it, but I and others agreed that urgent action was needed. Indeed, the right hon. and learned Member for Banbury said:

“This is being done quickly; I am not apologising for that because I think the situation is one that we need to resolve quickly.”—[*Official Report, Animal Welfare (Kept Animals) Public Bill Committee*, 18 November 2021; c. 172.]

I agree, but that was over two years ago. Actually, I find myself agreeing with the right hon. and learned Lady rather frequently these days. At the time, she was rather unkindly derided by Quentin Letts in a distinctly catty but quite funny column in *The Times* for being the Minister for cats. Frankly, in her current role she must often feel like she is herding cats. However, she was right that it was urgent then. It remains urgent now.

I argued at the time that the Government's formulations “connected persons” and “animals capable of forming bonds” were problematic, and I suspect the Minister rather agreed. I am pleased that the present Bill uses a different form of words, as has been discussed, but I am not sure that the new formulation is without problems of its own. As has been explored today, the question of ownership within households is hard to define. I suspect we will wish to explore that further in Committee. For example, if Larry the Downing Street cat were to go AWOL—I am sure that that would not happen under the current occupant, but I am not sure about some of his predecessors—I wonder quite how the current wording would work.

I also have to wonder quite how the legislation will work when a much-loved cat is taken by an out-of-control pack of foxhounds, a situation that sadly still occurs. Again, that is something to be explored further. Although

[Daniel Zeichner]

I welcome the protection of cats in the Bill and the regulations allowing the powers to extend the regulations to protect other species commonly kept as pets, there is an irony here, is there not, because the Government appear to be creating a probably unintended route to protect those who keep primates as pets from the abduction of their animals, yet they are failing to ban the keeping of primates as pets, as promised in a Conservative manifesto in 2019—something that was at least attempted in the Animal Welfare (Kept Animals) Bill.

I finish where I began: Labour strongly supports these measures to tackle pet theft and pet abduction. We will support the Bill, but we want it strengthened, and we want it done speedily.

1.24 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): First I must congratulate my hon. Friend the Member for Southend West (Anna Firth), and thank her for bringing forward this incredibly important Bill. It really shows the best of us as parliamentarians when we can have a debate like this; it brings us all together.

It is something of a challenge on a Friday to see whether we can get in as many pet names as possible, and I think we have excelled ourselves today with the naming of pets, including, of course, the 14 cats that Granny Meow looked after. We have also had many mentions of that wonderful event, Westminster dog of the year; I have come second in that competition a number of times, and not even with my own dog. I am a bit of a fraud because I borrowed one from one of the amazing charities, but it was to help to highlight that great and useful event. I also want to add my comments on the wonderful Sir David Amess, who did so much on animal welfare in this House. I am so pleased that my hon. Friend is following in his footsteps.

The Bill seeks to recognise the inherent difference between pets as sentient beings and pets as inanimate objects, as they would be seen under the criminal law on theft. I am really proud to say that it was this Government who introduced the Animal Welfare (Sentience) Act 2022, which cemented the legal recognition that vertebrate animals are sentient beings. The critical thing about this Bill is, of course, that it recognises that the sorts of stolen pets we are talking about are basically family—that is how I think my hon. Friend so ably put it—and all the emotions surrounding our pets.

At the outset, I pay tribute to all colleagues who took part in the debate, which has been tremendous, showing so much knowledge, expertise and love of our pets. We have had cross-party support, with the hon. Members for Walthamstow (Stella Creasy) and for West Ham (Ms Brown) joining in. I thank them for their support.

I also thank all our colleagues for their support: my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland), who did such a great job on the pet theft taskforce; my hon. Friend the Member for Wolverhampton North East (Jane Stevenson), who raised that issue of widening this legislation to other animals in the future—she knows that is an option in the Bill; my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald),

who has great knowledge and expertise, having taken through Finn's Law, which we have heard about; and my hon. Friend the Member for Bury North (James Daly). I know his Pets (Microchips) Bill is coming up, but I want to say that the microchipping reform we plan to take forward will contribute to addressing some of his Bill's aims, so I hope that gives him some assurance.

We heard from my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon) and, of course, my right hon. Friend the Member for Suffolk Coastal (Dr Coffey), who did so much on animal welfare when she was Secretary of State in the Department. Since she raised the question of commencing this legislation as soon as possible, I should put on the record that it will indeed be commenced as soon as possible, within three months of the Bill's receiving Royal Assent. I hope that gives her some reassurance about our absolute intention to get speeding on with the Bill.

I do not have much time, but I was not surprised that the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), raised the Animal Welfare (Kept Animals) Bill, and that gives me the opportunity to talk about it. We are aware of how important animal welfare is to the people in this nation, which is why it is such a priority for the Government. That Bill was a huge priority in our manifesto 2019, as he will know, and although the Animal Welfare (Kept Animals) Bill as such is not being taken forward, it is far from the case that we are dealing with items from that Bill in drips and drabs.

We have introduced a wave of legislation on animal welfare. To name just a few, we have increased the penalties for those convicted of animal cruelty; we have announced the extension to the Ivory Act 2018, with more species added; we have passed the Animal Welfare (Sentencing) Act 2021; we brought in legislation on the microchipping of cats, which I was here for on a Friday; we made our action plan for animal welfare in 2021; we banned glue traps and tackled hare coursing; we banned the trade in shark fins; we modernised licensing for dog breeding and pets; we passed Finn's law, which I referred to; and there is much more. I genuinely think we are the party for animal welfare.

The unlawful taking of pets is a callous crime and it is right that perpetrators are brought to justice. The Bill focuses on the impact on the welfare of stolen cats and dogs, not just their financial value. That is so important. I have to name my cats, because everyone else has named their pets. I have to put Raffa and Mr Tipps on the record. We have had so many references to what pets mean to us, but since my husband died and my three children left home, my cats have taken on an even more important role in my life. They are there to welcome me when I get home. We all have stories like that, as we have heard. Those are the things we can share. Our pets are so important to us, and so is the Bill.

I welcome the Bill's intention to improve the recording and monitoring of pet abduction offences, which is really important. I welcome the work of the pet theft taskforce, because so many of its recommendations are being taken up, including bringing in the option of other animals if that is proven to be the right thing to do.

Another of the taskforce's recommendations was to strengthen the process of the transfer of keepers recorded on a microchip record. We want all database operators

to have robust processes in place to ensure that the existing keeper has a chance to object when someone else tries to change the keepership details on the microchip record. That will ensure that stolen pets cannot simply be transferred to a new keeper.

We have consulted on other changes to the microchipping regime that will make it easier for pets to be reunited with their keepers, and we will publish details of that very soon. We have already announced the requirement for all owners of cats over 20 weeks to get their cats microchipped by 10 June 2024, so people need to get a move on if they have not managed to do that yet.

I could say a lot more because there is so much in the Bill. As a Government and as a Department we are looking at more things relating to the important issue of animal welfare. I hope I have demonstrated that we are right behind the Bill. We wish it well on its swift progress. There is no shortage of people offering to serve on the Bill Committee, which is tremendous. I reiterate that once the Bill becomes an Act it will be commenced within three months of Royal Assent, if not before, in England. I will leave that there, Mr Deputy Speaker—I know you are an ardent campaigner for animal welfare. On that happy note, we can all join together and be happy with our day's work.

1.33 pm

Anna Firth: With the leave of the House, I thank all hon. Members on all sides of the House for coming to this debate. We had a fantastic debate in which we all recognised the importance of animal welfare not just to us but to our constituents and the whole country.

I particularly thank the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), for his support. As we heard from the Minister, we have the support of the Government. I was particularly pleased to hear her comments about commencement. All eight speeches were fantastic, and I have taken very detailed notes. I thank everybody for all their points—the legal points made, the information we had about the journey and the taskforce, the data, the other possibilities for strengthening the Bill, the possible loopholes, and all the wonderful stories about people's dogs and animals.

I finish by saying how grateful I am that we can use this debate to acknowledge the hard work of so many Members over so many years. I hope we can pass this legislation for our constituents who are animal lovers, and show the nation that we value our animals and we will work together for the reputation of our nation as a world leader in animal welfare. I thank Members.

Question put and agreed to.

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

Licensing Hours Extensions Bill

Second reading

1.34 pm

Mrs Emma Lewell-Buck (South Shields) (Lab): I beg to move, That the Bill be now read a Second time.

For those in the Chamber who do not know what my constituents know already, I love the pub—especially the pubs we have in South Shields. My locals—the Marine, the Harbour Lights, the Criterion, the Steamboat, the Alum Ale House, the New Sundial, the Riverside, the Grotto and the Stags Head—are all not just places where people go to drink; they are where we come to meet our neighbours, friends, family and work colleagues, to celebrate important events or just to sit and relax with a nice cold one.

Christian Wakeford (Bury South) (Lab): It sounds like my hon. Friend is incredibly busy, with so many locals to get around. We are going through Dry January, which is a fantastic opportunity for people to reflect on their relationship with alcohol, but that does not necessarily mean they do not go to the pub, because obviously there are a range of low and no-alcohol beverages out there. Will she join me in paying tribute to all those who put the work into those products, but also join me in saying that people can still go to the pub and socialise while being responsible?

Mrs Lewell-Buck: I could not agree more. My own mam is a teetotaler, yet she often comes to the pub to spend time with family and friends, because it is part of the community.

As my hon. Friend the Member for West Ham (Ms Brown), who has had to leave the Chamber, reminded me earlier, my love of our local pubs is strong, but it is strong across all our constituencies. If there is one thing that unites us across this country, it is sporting or royal events, and the place we tend to gather is our local pub, because they are the beating hearts of our communities. As the House will know, such events do not always take place at the same time as our pubs and hospitality venues are open. That is why the Labour Government's Licensing Act 2003 made provision for licence extension.

At present, an application for extension would be done by individual licensed premises applying for a temporary event notice. These terms need to be applied for by individual premises to their local authorities. Each application costs them £21 and it can take up to five working days as a minimum to be approved. A premises is allowed to apply for only between two and 10 short-notice TENs in any given year.

My Bill will in no way alter TENs, but it intends to alter the other option for licensing extensions, which is for the Government to make an order under section 172 of the 2003 Act applicable to all premises in England and Wales, specifying the dates and times of the relaxations and not exceeding four days. Such orders are subject to the affirmative procedure, meaning they need approval in both Houses of Parliament.

Best practice is for the Home Secretary to complete a public consultation and for Parliament to debate the order in both Houses. That full process can take up to six months to implement. In practice, these orders have never been opposed and have been used only for important

[Mrs Lewell-Buck]

events, such as the coronation of His Majesty the King, Her late Majesty the Queen's 90th birthday and platinum jubilee, the 2011 and 2018 royal weddings, the 2014 FIFA world cup and the Euro 2020 final, which happened eventually in 2021 due to the pandemic.

Last summer, we were all so proud—and we remain proud—of our Lionesses reaching the women's world cup final. At last, we hoped, it was coming home, and it would be the women bringing it. As Members will recall, we only knew we had made the final on the Wednesday before the match, which was on a Sunday in Sydney, with an 11-hour time difference. The match kicked off at 11 am, with many pubs just opening their doors, meaning that spectators missed out on all that pre-match excitement and venues lost out on the extra revenue. There was no time for our pubs to apply to their local authorities for an extension, and, because Parliament was in recess, there was no mechanism for the Government to issue a blanket extension.

The British Beer and Pub Association predicts that, over the course of one game, pub goers can buy up to 6.8 million pints. Had the licensing laws not been relaxed, pubs would have sold an estimated 1.7 million fewer pints, costing them more than £6 million in lost revenue. Under my Bill, that would change, as would the overly bureaucratic, costly and time-consuming process for blanket registrations. My Bill would amend section 197 of the 2003 Act so that future orders for the relaxation of licensing hours would instead be subject to the negative resolution procedure. That would give the Home Secretary and Ministers the power to legislate without the long parliamentary approval process.

That is not to say that consultation or forward planning will be dispensed with. The Government would need to continue to plan for such exceptional events far in advance, and relevant bodies such as the police, venues, licensing authorities, members of the public, those who live near those licensed premises and trade associations would still be consulted.

Jane Stevenson (Wolverhampton North East) (Con): I put on record my thanks to the hon. Lady for her extremely common-sense Bill. I know pubs like those that she celebrated in the Black Country—in Wolverhampton, in Willenhall, and all around our fabulous region. Our pubs are the lifeblood of the community. I want to pass on the gratitude of my fantastic pubs and my constituents. It is so important that we can come together for these big national events, so I know that she will have broad support across the Chamber for this very common-sense Bill.

Mrs Lewell-Buck: I do not think that I have been to any of the pubs in the hon. Member's patch, so if that is an invitation, I will join her at some point.

There is currently a consultation open on extending the licensing hours for the UEFA Euro 2024 semi-final and final if England, Wales or Scotland are playing.

Christian Wakeford: I am more than happy to extend an invite to my hon. Friend to come to any of the pubs in Radcliffe, Whitefield and Prestwich as well, although I get the feeling she will become incredibly busy at this rate—and perhaps not that healthy either. Obviously, we have a World cup in the USA in 2026, and we hope

we will bring it home then. There are so many events regularly taking place in the US—tennis, or even WrestleMania or the Super Bowl—that people will want to view. Will the Bill extend as far as them?

Mrs Lewell-Buck: I thank my hon. Friend for that invite. Of course, if the Bill passes it would apply to those events as well. Members would also have the right to object. However, that has not happened in the past and it is unlikely to happen in the future. It is not often that I would be happy to propose more powers for a Conservative Secretary of State, but the powers would not only ensure that we can come together in our local for special events; they would also give a much-needed boost to our hospitality industry.

James Daly (Bury North) (Con): The point the hon. Member has just made is extremely significant. Section 172 of the 2003 Act refers to exceptional international, national or local significance. I truly hope that there is a South Shields day, and I am sure that great events happen throughout the year in South Shields. Would this process be an easier way for local areas to celebrate things that would be specific to the locality, whether they are in Bury, South Shields or wherever else? Or are we still talking about big events such as the World cup?

Mrs Lewell-Buck: It would apply to local events as well; each one would be at the discretion of the Home Secretary, in consultation with all the relevant authorities. I hope we do use this in South Shields, because we love a good party there and we love coming together to celebrate.

Our hospitality industry struggled during the pandemic. It is estimated that in 2020 it lost a total of £200 million every day. The industry has more than 220,000 premises licensed to sell alcohol in England and Wales. It employs about 500,000 people in pubs and bars across our towns and communities. Across the UK more generally, the industry contributes £14.3 billion in wages, £26.2 billion to the national economy, £15 billion in tax revenues and £2 billion in net capital expenditure. In addition, it has a strong domestic supply chain, with more than 80% of the beer sold in the UK being produced here in the UK. Clearly, what benefits our pubs benefits all of us. We should never underestimate their contribution or how hard those in the industry work.

I know that probably more than most others in this place. I get the love of the pub from my mam and dad. My dad always knows a good pint when he sees one, and my mam was a well-respected and brilliant barmaid. It should come as no surprise that I followed in her footsteps, ending up working in many pubs and hospitality venues. In my younger and more glamorous days, I was even a promotions girl for our very famous Tuxedo Royale nightclub in Newcastle, with its legendary revolving dancefloor. When I was a local councillor, I chaired our licensing committee and gained my level 2 BIIAB personal licence. In honour of Her late Majesty the Queen's platinum jubilee, I created, mixed and served cocktails in my constituency at my friend's popular café and bar, Sea Change. So it is clear that I am familiar with, and happy at, both sides of the bar.

I am in no doubt about the value that this industry brings, not just to my constituency, but to our economy and our country overall. This is a simple, impactful Bill. The pub is a great British institution and it is right that

pubs are able to welcome us through their doors for events of national and local significance. Under my Bill, they will now be able to do so, and I remain hopeful that the Minister agrees wholeheartedly with me.

1.47 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a pleasure to speak about this Bill, and I congratulate the hon. Member for South Shields (Mrs Lewell-Buck) on introducing it. The wisdom of doing so will make her the toast of many a pub around the country.

The Bill is so helpful because it recognises the flexibility of changing from using the affirmative statutory instrument procedure, with all the requirements that go with that, to using the negative procedure. That allows the Government of the day the flexibility to respond to public demand, particularly when thinking of special occasions. Rightly, the original 2003 Act does not specify what constitutes a “special occasion”, so there can be aspects of flexibility. Indeed, it provides that these orders should not be treated as hybrid instruments. That is why I was interested in clause 1(c), which proposes to omit section 197(5) of the 2003 Act. This basically rules out any possible objections to the statutory instrument in respect of it being deemed to be hybrid; by legislation, it would absolutely not be considered to be hybrid. I just want to make sure that the Minister is happy that this will not trip up any future negative SIs.

The hon. Lady has talked about some of the extensive celebrations, and we know that consultation is required only where appropriate. That is also the right balance to have when we are talking about much more local situations, especially if an event is on at 3 or 4 o'clock in the morning, instead of just extending a little bit longer. That would be appropriate. I hope she is proud of the deregulatory approach of the Bill, which I would welcome for the future, especially when we are considering all sorts of legislation in that regard. The intention is to reduce bureaucracy. That is why about 80% of secondary legislation is done through the negative resolution. We need to continue that. There is often a clamour in his House, and particularly in the other place, to try to get everything on the affirmative. It is appropriate, of course, which is why the route exists, but it is also appropriate to consider the practicalities of how legislation is enforced.

I look forward to the Bill becoming law. I am sure that many of the pubs and other outlets that require licensing hour adjustments in my constituency will welcome it too. Let us make sure we get to the next World cup finals, so that we can take full advantage of it.

1.50 pm

James Daly (Bury North) (Con): I do not think I have ever agreed with a Bill in my life as much as I agree with this one. There is literally no word in it that I disagree with. I actually think the hon. Member for South Shields (Mrs Lewell-Buck) downplays its significance, which has been amplified by my right hon. Friend the Member for Suffolk Coastal (Dr Coffey).

We talked earlier about how politics affects and impacts people's lives. I believe that politics starts the moment we walk out of our front door. The things that impact us most are the things we see all around us. One of the things that makes politics work is community, and for community to work there have to be events and other

things that bring people together to share a communal experience. Whether it is the Ramsbottom World Black Pudding Throwing Championships in my constituency, all the wonderful things that happen in South Shields, or the many, many festivals in Norfolk, Suffolk and Hertfordshire, we need a more streamlined process that allows hospitality businesses to benefit from events that bring people to one place to celebrate whatever it is they are celebrating.

Councils have a part to play. We should be much more flexible in how we use licensing, in consultation with the police and while taking account of all the other things that matter, to support the hospitality industry. One of the problems for the hospitality industry at the moment is, basically, bums on seats—getting people through the door. The industry faces challenges from supermarkets in terms of cheaper alcohol, energy costs and so on. I am sure the Minister will have time to roll through all the various measures the Government have taken to support hospitality, but Parliament should be an enabler to allow businesses, through their endeavour and hard work, to thrive and succeed. That is exactly what the Bill does.

In my view, the Bill should not just be seen as being about big national events. It should be seen by MPs, councils, individuals, community groups and the hospitality sector as a way to allow licensing on a large scale to benefit local, national and regional economies and to keep our pub sector going. The pub sector is going through an unmitigated challenge, especially those pubs that are leasehold, and they need all the help they can get. The Bill plays a small part in providing help, so the hon. Member for South Shields should be congratulated on that.

1.53 pm

Nicola Richards (West Bromwich East) (Con): It is a pleasure to speak in this debate and I thank the hon. Member for South Shields (Mrs Lewell-Buck) for bringing the Bill before us today. It is great to hear about her cocktail making, too.

There are not many things that the British public find more enjoyable than going to the pub and having a pint. Our pubs are a vital part of the local economy and community. They bring so many people together. That is especially the case when it comes to celebrating big special occasions in our nation, most notably His Majesty's coronation last May and the late Queen's platinum jubilee, as well as the Euro 2020 final. On all such occasions, the Secretary of State uses powers under the Licensing Act 2003 to make an order for the relaxation of licensing hours so that pubs can stay open longer. However, it makes no sense at all that, for that to be possible under the current unamended Act, the order has to be approved by this House and the other place, and that the Home Secretary must also consult those they deem appropriate. The most recent consultation had a very low response rate, which does not match the high proportion of the British public who back changes to licensing hours.

There are sometimes concerns that an extension to licensing hours can lead to a rise in disorder, but there is little or no evidence to support that. It seems only right that we should have the ability to celebrate these important occasions in our pubs for longer than would normally be permitted, and it is the perfect way to express our

[*Nicola Richards*]

pride in our country and celebrate all the special occasions with our communities. We are a patriotic nation, and we should be proud to mark these achievements together.

Our time in this place is valuable and important. By passing this Bill we will be removing what has become an administrative procedure of approving the measure under the current Act. Instead we will be able to pass the order more quickly, reducing the amount of parliamentary time currently required and responding to events in a much more effective manner. Here's to hoping we are soon able to celebrate more football finals so that we can put this new procedure to the test.

I believe the Bill does include appropriate safeguards, with the ability retained for any Member of this House to request a consultation if they so desire. The Bill also maintains the need for specific dates and times for extensions of the hours to be specified so it does not give the green light to this happening on an increased basis; it simply means that when an appropriate time comes, we are able to make it easier to extend licensing hours.

I know I speak for many colleagues across the House when I say that I have such great memories of times spent with others in pubs across my constituency and the wider region. As a member of the all-party group on beer, I am never shy of saying yes to a drink and supporting our fabulous breweries up and down the country. This Bill has many benefits, including cutting bureaucracy and making it easier for the nation to celebrate great successes. I thank the hon. Member for South Shields once again for bringing this Bill before the House today.

Mr Deputy Speaker (Sir Roger Gale): I call Feryal Clark on the Opposition Front Bench.

1.56 pm

Feryal Clark (Enfield North) (Lab): I start by paying tribute to my hon. Friend the Member for South Shields (Mrs Lewell-Buck) for bringing this important Bill before the House today and for being successful in the private Member's Bill ballot. I also pay tribute to the hon. Member for Bury North (James Daly), the right hon. Member for Suffolk Coastal (Dr Coffey) and the hon. Member for West Bromwich East (Nicola Richards), who have spoken in the debate.

As we have heard, this Bill would amend section 197 of the Licensing Act 2003, granting our hospitality sector more freedom to extend licensing hours with shorter notice, creating a simplified parliamentary process and enabling a swifter response to relaxation requests. It would allow our communities to celebrate events of national significance in hospitality venues for longer, providing a welcome boost to businesses and fans.

Currently, under section 197 of the Act, Parliament must approve the relaxation order in both Houses and best practice is to complete a full public consultation. This can take a significant amount of time. Last year, as has been highlighted, when our Lionesses progressed to England's first cup final since 1966 requests to extend licensing hours came in late and during a parliamentary recess, making it impossible to grant the request through

Parliament. This denied many businesses the opportunity to serve customers early and the opportunity for supporters to get behind our team.

Pubs, bars and restaurants could open from 10 am for the women's world cup final but could not serve until 11 am. Early opening and service would have provided a fitting boost for the Lionesses and also for the hospitality industry, which has suffered so much over the last few years. The industry has suffered a toxic cocktail of rising energy costs, recruitment issues, the pandemic, and cost of living and inflation pressures among others. Therefore, now more than ever the sector needs a boost.

As we all know, and as has been said, sporting events can have a significant impact on the hospitality industry and our communities. The world cup final last year was expected to bring a £41 million boost to the industry alongside an extra 1 million people in pubs, bars and restaurants. Our hospitality sector brings a huge boost to the UK economy, generating £54 billion in tax receipts alongside £7 billion of business investments in 2022.

We all know how important our pubs and restaurants are to our communities, but the impact goes much further. A staggering 42% of tourists want to visit a pub when visiting the UK; so our hospitality sector is something to shout out about not only here at home, but also abroad. I know many in the House today will share this view. We are currently denying our pubs, bars and restaurants a full opportunity to benefit from this. It is clearly an opportunity missed, and I hope it will not be missed again with the progression of this Bill.

This summer, we have more fantastic sporting events, including the Olympics, Paralympics and Tour de France, and in 2028 our country will host the Euros. With so much sport on offer, it is not difficult to imagine a similar set of circumstances recurring in the coming years.

I am pleased with the relevant safeguards in the Bill, as mentioned by my hon. Friend the Member for South Shields. For example, the option to consult will be retained, enabling decisions to be made once potential concerns, such as noise and antisocial behaviour, have been considered. The negative resolution procedure will also allow the order to be debated, if successfully requested by any parliamentarian. With support from across the House, as well as the hospitality industry, the Bill should progress; I am very pleased to support it today.

2 pm

The Parliamentary Under-Secretary of State for the Home Department (Laura Farris): I congratulate the hon. Member for South Shields (Mrs Lewell-Buck) on her success in the ballot and on presenting this very worthwhile private Member's Bill. I can confirm that she has the full support of the Government; we will do all we can to accelerate its progress through the other place. I should add that if—hopefully when—the Bill receives Royal Assent, I think we should take a celebratory parliamentary trip to the revolving dancefloors of the club in South Shields that she used to promote back in the day.

As the hon. Lady set out, the Licensing Act 2003 already makes provision for the Secretary of State to make an order that relaxes licensing hours for an occasion of exceptional international, national or local significance. The effect of the hon. Lady's private Member's Bill does not result in any proposed change to the frequency with which that discretion may be exercised. In fact, it has

been used only relatively sparingly, on a case-by-case basis, in the last decade; she gave the example of the King's coronation, Her late Majesty's two last jubilees—the diamond and platinum jubilees—the royal weddings, the FIFA World cup and, more recently, the final of the Euros. The benefits include: supporting communities to come together to celebrate these important events; supporting businesses by enabling them to stay open for longer and increase revenues; and ensuring that licensing authorities do not have the burden of processing numerous individual requests for extension.

The Bill proposes to amend the Licensing Act so that the orders are subject to the negative resolution procedure, rather than the affirmative. On those rare occasions when the Government have previously extended licensing hours, the plans have always received cross-party support in both Houses and have passed unopposed. The Bill results in the additional benefit of enabling extensions to be implemented at short notice if necessary, including when Parliament is in recess. Current arrangements mean that fast-paced extensions are simply not always possible, which was particularly problematic when the Lionesses reached the final in Australia last year. The Bill will rectify that issue and ensure that licensing hours can be extended at short notice where necessary. Having said that, let me be clear that the Government fully intend to continue to plan ahead so that, wherever possible, licensing hour extension orders can be brought forward with sufficient time for public consultation and notice.

I once again thank the hon. Member for South Shields for bringing forward this legislation, and everybody who has spoken in support: my hon. Friends the Members for West Bromwich East (Nicola Richards) and for Bury North (James Daly), and my right hon. Friend the Member for Suffolk Coastal (Dr Coffey). The Bill

introduces a simple measure that will free up parliamentary time and help the Government to continue to support our treasured local pubs.

2.3 pm

Mrs Lewell-Buck: With the leave of the House, I would like to thank all right hon. and hon. Members for their wholehearted support. I look forward very much to my pub constituency tour, but I have to tell the Minister that, sadly, the revolving dancefloor got old and tired—a bit like me—and is no more. I urge some caution around the comments made by the right hon. Member for Suffolk Coastal (Dr Coffey); I am not now suddenly a fan of mass deregulation, and think these matters should always be considered on a case-by-case basis.

I have many more people to thank: on the Government Benches, the Minister and the hon. Member for Castle Point (Rebecca Harris); Home Office officials; the Public Bill Office; and my invaluable senior researcher Rebecca Natton. I also thank the British Beer and Pub Association, the Night Time Industries Association, along with its chair and hospitality champion Sacha Lord, and my hon. Friend on the Front Bench the Member for Enfield North (Feryal Clark). Most of all, I want to thank all those who work in our hospitality industry, because without their hard work and contribution, our communities and local economies would not be what they are today. Finally, I would just like to say “Cheers!” to the Government for supporting my Bill and, in commending it to the House, I add that I definitely owe the Minister, among many more people, a good drink.

Question put and agreed to.

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

Children in Hospital for Extended Periods (Report to Parliament) Bill

Second Reading

2.5 pm

Sir Oliver Heald (North East Hertfordshire) (Con): I beg to move, That the Bill be now read a Second time.

I started this journey with a ten-minute rule Bill application on 20 June last year. I published the Bill, which is in the same terms now as it was in the last Session, in September, but there were no dates left for a debate, so I am pleased to put it forward again in this Session. I was delighted at that time to have heavyweight support from all parts of the House: my hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson), who is a consultant paediatrician; senior Labour figures, such as the right hon. Member for Derby South (Margaret Beckett), my old friend the hon. Member for Eltham (Clive Efford) and the former shadow Leader of the House, the right hon. Member for Walsall South (Valerie Vaz), as well as many other senior and upcoming colleagues. The Bill would require the Secretary of State to report to Parliament on the merits of providing financial support for parents of children receiving care in hospital for extended periods. The Bill has had considerable media interest and public support, and I thank Ministers for engaging with me on it, particularly the Secretary of State for Work and Pensions and the Minister who is present now—the Minister for Employment, my hon. Friend the Member for Bury St Edmunds (Jo Churchill), who has personal experience of some of the issues that I am coming to. I have also had engagement with the Department of Health and Social Care, and I welcome the fact that the Minister for Health and Secondary Care, my right hon. Friend the Member for Pendle (Andrew Stephenson), has taken an interest in the matter.

As I explained last June, my constituent Ceri Menai-Davis contacted me after the loss of his six-year-old son Hugh to a rare cancer on 18 September 2021. He and his wife Frances are in the Gallery today. They had a terrible ordeal for more than 10 months, attending hospital and at times commuting daily, as they watched their son rapidly decline over a number of months in hospital from being a sporty youngster, who Mr Menai-Davis was teaching golf, to his sad passing. When Mr Menai-Davis contacted me at the end of 2021, he and his wife had just set up a charity called It's Never You. Those were the words that Mrs Menai-Davis—Frances—said to her husband when they got the diagnosis. They wanted to help parents of very ill children in hospital with mental and physical support and to call for some financial help, too.

Cases where children are in hospital for extended periods are rare. The reply I received to a written question showed that about 4,000 children a year spend more than two months continuously in hospital. That can involve the parents visiting hospital every day or even staying in a flat provided for parents at the hospital.

Mr Menai-Davis asked if I could arrange for him to meet a Health Minister to lobby for better care of parents. This has never just been about money; it has also been about wanting Government to look holistically into how parents are supported in these difficult periods. I did that, and the then Minister of State, my right hon. Friend the Member for Charnwood (Edward Argar), held a meeting with us on 24 March 2022, where he

heard about a range of practical problems with care for parents in hospitals. They included issues such as the ability to access food at the weekend, but also mental and emotional support, because what a lot of those parents are going through is the most dreadful ordeal.

The then Minister asked for full details, which we sent to him, with the idea of informing the work on the new generation of children's hospitals, including on the facilities there for parents of very sick children. He responded constructively on issues of outreach to parents, food for parents staying in hospital with children, improved facilities for families in the new hospitals programme and linking NHS charities with the work of my constituents' charity, It's Never You.

Through my constituents' charity, parents or guardians of sick children benefit by connecting with a community of peers, finding support, including moral support, sharing experiences and getting professionally sourced and reliable information through a social network. There is a blog and an app. That work is done not by the statutory authorities, but through the Children's Cancer Platform, the UK's only platform built exclusively to support parents in that difficult situation. The charity has started to put wellbeing bags into hospitals such as Addenbrooke's in Cambridge, Great Ormond Street and others, and they are well received. It's Never You is also present in Manchester, Birmingham, Cardiff, Leeds and other places. It has partnered with several charities across the UK and aims to form an umbrella where all relevant charities can be found in one place.

Addenbrooke's in Cambridge is, of course, the major hospital for East Anglia and is well known to the Minister and me because it is our regional hospital. It is also the site for a proposed new children's hospital, a project I have strongly supported, in part because the east of England is the only part of the country that does not currently have a children's hospital. Cambridge children's hospital will be available to provide care for every child and young person in the region and provide the level of care families need without having to travel hundreds of miles.

The hospital will also be the first in the world to fully integrate mental and physical health provision, so that young people and their families have complete and seamless care according to their needs. That will be underpinned by world-class research in child health and genomics. There will be more provision for intensive care, specialist wards that will provide children in crisis with safe spaces, and dedicated operating theatres that will facilitate thousands of lifesaving procedures. It will be a Cambridge University research facility, and it will integrate cutting-edge treatments and technology bringing physical and mental health together, using genomic medicine not just to treat diseases but to prevent them. It will put the child at the centre of everything and draw on telehealth technology to connect people beyond the walls.

In October, the plans at Addenbrooke's for this specialist hospital reached a new milestone, as the green light was given to proceed to the final stage of its business case. Dr Rob Heuschkel, the clinical lead for physical health at the hospital, said:

"We know there is widespread support across the East of England for this Hospital—from children and their families to our regional colleagues and our regional MPs. Now is the time for us to all work together to turn our plans into reality. I can't wait to get started on the next stage of this Project."

The hospital is provisionally due to open in Cambridge in 2025, and credit must go to the former Secretary of State, my right hon. Friend the Member for West Suffolk (Matt Hancock), who approved the building of the hospital and committed public funds. The hon. Member for Cambridge (Daniel Zeichner), who was in the Chamber earlier, said in a press release that it is the “next stage in establishing a world-class children’s facility for the region”.

After our meeting with the then Health Minister, my right hon. Friend the Member for Charnwood, the executive director Nick Kirby arranged for Mr Menai-Davis to share his information about what parents need with the team for this new, cutting-edge children’s hospital. They have had productive meetings with him, in which he has shared insights that the team have described to me as “inspiring”. It was confirmed to me recently by Chris McNicholas, the deputy project director, that next steps would include how best to deliver psychological support to parents and to link with the charity’s blog and app.

Before turning to the financial aspects, I would also like to mention the need for improvements in cancer care more generally. While we need exciting new hospitals, primary care needs to come up to standard as well. On 19 November 2021, I spoke in a debate called by my hon. Friend the Member for Hertford and Stortford (Julie Marson) about cancer awareness and diagnosis for young people after the sad death of Jessica Brady, a young satellite engineer, of a rare cancer, and the campaign of her parents, who are my constituents. My hon. Friend, Simon and Andrea Brady and I delivered a petition with 213,000 signatures to Downing Street. Jessica’s cancer had been misdiagnosed on several occasions, and sadly this very clever young woman had died.

Jo Gideon (Stoke-on-Trent Central) (Con): Does my right hon. and learned Friend agree that the work of parents who are themselves suffering and facing challenges is incredibly powerful? This morning I heard Ceri Menai-Davis speaking on breakfast television, and a question was raised about whether it was right for people with lived experience to be the ones to make the changes in the laws that we make. In my constituency there was the tragedy of a child, Harper-Lee, who died after swallowing a button battery, and her mother Stacy has campaigned for two and a half years for Harper-Lee’s law. I just wanted to give a shout out—along with my right hon. and learned Friend, I hope—to all those fantastic parents without whose work we as parliamentarians would not be able to do our jobs.

Sir Oliver Heald: I entirely agree. Given the tragedy that they had experienced, it would have been possible for Ceri and Frances Menai-Davis to simply collapse, but they did not. They decided that they were going to do something positive, so they set up a charity. The enthusiasm and strength of determination that that couple bring to this situation is something to be seen, and I certainly pay tribute to them.

My right hon. Friend the Member for Charnwood responded to the debate by explaining that we were working on achieving better long-term plans for the early diagnosis of cancer, including rarer cancers, and on trying to prevent what had happened to Jessica from happening again. Hertfordshire’s hospital trusts are working extremely hard on that. The Government’s aim is for

three quarters of cancers to be diagnosed at stage 1 or 2, which would enable an additional 55,000 people to survive cancer for five years longer than they do now. As well as new hospitals, we need to see that improvement in diagnosis, which is already taking place in the rapid diagnostic centres and services that the new integrated care boards have been pressing for. There are currently 102 live rapid diagnostic centre pathways. In addition, East and North Hertfordshire NHS Trust, informed by experiences such as Jessica’s but also bearing in mind what has happened in the case of Hugh, is working on a much more co-ordinated multi-disciplinary approach.

What this shows is that we are at the start of a new era, with better hospital services and an understanding of the need to prioritise cancer not just in the elderly but in the young, and in respect of not just the best-known cancers but the rare ones. I pay tribute to the work of the all-party parliamentary group on cancer, which I support.

The aspect of the Bill raised by my constituent is the financial impact on parents of having to spend months in hospitals supporting sick young children. My constituent is self-employed, and it cost him a lot to put his child first, but he was able to manage, not only because of his strong personal finances but because of the support of his family in keeping his business going. However, he feared for others who were less fortunate and found themselves in the same position. He gave me examples of people his charity is helping—people who were losing their livelihoods to support their children in hospital. As I have said, I have raised the financial issue with Ministers in the Department for Work and Pensions and the Department of Health and Social Care, and I have been pointed to some limited help for parents such as leave entitlements, often unpaid, and bereavement leave, as well as universal credit, under which if income goes down the benefit goes up. Parents who have worked for the same employer for at least a year are entitled to 18 weeks of unpaid parental leave, and there may be help from disability and carers’ benefits after a period.

In this Bill, I ask for a report to be made to Parliament by the Secretary of State on the merits of providing financial support to the parents of children receiving care in hospital for extended periods. I am asking for an assessment of current policies and the likely effect of some additional support on both parents and children, and I am asking the Government to consult parents, healthcare professionals, charities and others offering support.

Although It’s Never You is the focus of what Ceri and Frances are doing, I have also heard from other charities, such as Together for Short Lives, which talks about the huge financial strain on families of having a child in hospital, and Young Lives vs Cancer. That charity wanted me to raise one particular issue: the NHS does offer a healthcare travel cost support scheme, but apparently the operation of that scheme is not very helpful. It is ponderous and does not deliver the money quickly enough. Perhaps that is something the report could look into.

I hope it will also be possible for a meeting to take place between the Minister and Mr and Mrs Menai-Davis, so that they can explain what they hope to get from the process. The Bill would not cost a great deal, as there are so few cases, but it would mean that in tragic circumstances all parents could concentrate on helping

[*Sir Oliver Heald*]

their children rather than worrying about money. In a way, the Bill is also about Ceri Menai-Davis and his wife Frances being able to help other parents who find themselves in the situation they found themselves in.

The report is likely to touch on some of the other issues that families have taken up with Ministers and that I have raised in my remarks, and I hope it will inform a holistic approach to improving care for young cancer patients and their parents. It would be a legacy for Hugh—we could call it “Hugh’s report”.

Mr Deputy Speaker (Sir Roger Gale): I call the Opposition Front Bencher.

2.21 pm

Vicky Foxcroft (Lewisham, Deptford) (Lab): I congratulate the right hon. and learned Member for North East Hertfordshire (Sir Oliver Heald) on putting forward such articulate arguments. I hope he will not mistake my brevity for not being absolutely serious, but I am certain that he wants to hear from the Minister, as do the families in the Gallery. As such, I will leave my remarks there—I am happy to share the notes that I had prepared if the right hon. and learned Member would like them. Labour will support the Bill.

2.22 pm

The Minister for Employment (Jo Churchill): I thank the hon. Member for Lewisham, Deptford (Vicky Foxcroft), and thank and congratulate my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) for bringing this important issue to the Floor of the House. I know, as he has explained today and in previous conversations with me, that when Ceri and Frances contacted him after the tragic loss of their son Hugh to a rare cancer at the tender age of six, he was motivated to see how he could help to ensure that parents are supported at such a difficult time. I know that I speak for everyone in this place when I say that our hearts go out to them.

I was moved when I read my right hon. and learned Friend’s speech from last September, and again today. I understood personally the disbelief behind the words of Frances and the name she has given to their charity to help parents of very ill children who are in hospital for extended periods: It’s Never You. The challenge is that sometimes it is. The purpose behind the Bill is to enable research and produce a report on both the emotional and tangible support that is available and that which is needed—like the support that the charity is giving, but looking at things in a more joined-up way to work better and more effectively for parents during such difficult times.

I stand here as somebody who has had cancer more than once. You do not choose it: it chooses you. As Ceri and Frances know, your world is turned upside down. Your days are driven by medical appointments and the need to have questions answered, juggling life’s issues alongside wanting to do anything to try to protect your child and make the pain go away. My right hon. and learned Friend has spoken to me about Ceri and Frances’s motivation to do something for parents who have also travelled the journey of their child having an extended period in hospital, and some of the financial, emotional and physical worries that that brings.

I wish to take a moment to lay out what support is available, but I will do so rapidly because my right hon. and learned Friend went over it. There is help to deal with some of the financial worries. The disabled child addition is available to low-income families on universal credit who are entitled to qualifying disability benefits such as the child disability living allowance. A parent of a child who qualifies for that support can also claim carer’s allowance as a result of their additional responsibilities if they and their partner are providing at least 35 hours of care each week. Additional support is available to families on universal credit who may need further help. For families sadly affected by bereavement, there are funds in England and Scotland to help with funeral expenses.

For people on universal credit, an open discussion with their supporting work coach allows for health and caring responsibilities to be accounted for and enables access to support. I noted that Ceri has worked with Addenbrooke’s Hospital to share his and Frances’s experience to inform the team as they plan the new children’s hospital. I know that the hospital has been keen to ensure that families and patients feed in their experience alongside clinicians. That is a pioneering world-first model of care that looks to treat the whole child—both their physical and emotional needs—as well as providing paediatric genomic medicine.

Behind every young patient, wherever they are treated right across the country, is a family. I recognise how difficult it is to navigate the practical and emotional challenges. That is why It’s Never You and charities like it make a huge difference and play a pivotal role in supporting families, and I thank them all for their work. I reiterate the words of the my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon): parents’ voices are so important.

I hope that I have the House’s support, having already spoken to the Minister for Health and Secondary Care, my right hon. Friend the Member for Pendle (Andrew Stephenson) to ensure that we can work closely. He has assured me that he stands ready to look at what can be done and to support us in ensuring that the right conversations are held. I know that it is charities such as It’s Never You that most often help parents to access practical support and connect with other families who are going through comparable experiences, gain moral support and love from each other, and share ways to overcome issues and stop the pain of thinking that they are the only ones.

I know that nothing stops the lying awake at night, watching the clock tick through the hours and hoping for miracles, but we want to help families who are going through such difficult times. I commit from the Dispatch Box to working closely with my right hon. and learned Friend the Member for North East Hertfordshire on this important issue. In particular, we are committing to establishing a stakeholder forum to consult parents whose children have received care in hospital for an extended period, and with healthcare professionals, charities, civil society and organisations that offer related support. We want to hear about people’s experiences, understand their concerns and listen to ideas and suggestions, and then develop a set of potential proposals based on the feedback.

I suggest that a meeting with my office be arranged at the earliest opportunity so that Ceri and Frances's knowledge can help to drive and determine who will be key to that consultation. I will personally ensure that the forum is established in a timely manner and that it progresses quicker than a legislative route would allow. To that end, I suggest to my right hon. and learned Friend that he withdraws the Bill, that we begin discussions now, and, in Ceri's words, that there is purpose to the pain.

Mr Deputy Speaker (Sir Roger Gale): With the leave of the House, I call Sir Oliver Heald to wind up.

2.29 pm

Sir Oliver Heald: I am delighted by the response, which basically gives me what I asked for in the Bill. Of course, if the Bill went through all stages in this House and the Lords, it would take many months before we could start the process. I think my hon. Friend the Minister said that she hopes to meet the six-month period for the report at the end. On that basis, I am delighted go forward with her proposal, which short-circuits the process. I beg to ask leave to withdraw the motion.

Motion and Bill, by leave, withdrawn.

Business without Debate

ARMS TRADE (INQUIRY AND SUSPENSION) BILL

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

2.30 pm

The Deputy Speaker interrupted the business (Standing Order No. 11(2)).

Bill to be read a Second time on Friday 1 March.

MULTI-STOREY CAR PARKS (SAFETY) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 23 February.

PETS (MICROCHIPS) BILL

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

Hon. Members: Object.

Bill to be read a Second time on Friday 26 January.

LANDLORD AND TENANT ACT 1985 (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 1 March.

ZOOLOGICAL SOCIETY OF LONDON (LEASES) BILL

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

COMMONWEALTH PARLIAMENTARY ASSOCIATION AND INTERNATIONAL COMMITTEE OF THE RED CROSS (STATUS) BILL

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

Border Target Operating Model: Health Certificates and SMEs

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

2.32 pm

Stella Creasy (Walthamstow) (Lab/Co-op): The Government intend to introduce a charge of £40 a time to import things from the EU into the UK from April. That might come as a surprise to many businesses, because they do not know about it, and most of our constituents likely do not. I think that is because the Government are not even sure that they want to do it. Today, I hope to get some answers about the border operating model on behalf of all those who will pay the price if it actually happens—namely, the British public.

Brexit is the gift that keeps giving. Like contracting recurrent food poisoning, we think we have seen the worst of it only to feel that sick feeling in our stomach again. Pints of wine and blue passports cannot make up for the inflationary impact of this latest dose of extra paperwork and delay. For the avoidance of doubt, we have left the European Union. The Government cannot make Brexit work, and it is causing problems to millions of people every day. I am not standing here advocating that we ask to rejoin, either. Frankly, with all the problems we are facing for businesses and jobs because of it, we do not have time for such treaty negotiations.

This debate is about what this Government are doing now to manage our borders, and the very real consequences of their decisions for food security and the cost and nutrition of food. Currently, the UK imports around 46% of our food—we are self-sufficient for 54%. Our trade with other countries is the reason why we have food to eat and are not all just eating turnips and cabbages, delicious though those home-grown delicacies are. In 2021, we imported £10 billion-worth of fruit and vegetables from the EU, £6 billion-worth of drinks and the same amount of meat. The EU accounts for 90% of all the dairy, beef, egg and pork products coming to the UK, and nearly two thirds of all food and feed not of animal origin. Some 40% of that is from just four countries: the Netherlands, Ireland, Germany and France.

It is little wonder that Brexit has already hit our food prices and supply. Research from the Centre for Economic Performance at the London School of Economics shows that. We all saw the empty shelves and rationing, and businesses are clear that it is Brexit, not Ukraine and the energy crisis, that is pushing up the prices of production and causing all those problems.

That is all before we even get to the new import controls. It is a combination of higher transport costs, supply chain designs, customs complexity and reduced volumes. Whatever we do at the border will be critical to the nation's capacity to eat more than porridge, given that oats are one of the few things for which we produce 100% of what we consume.

Let us not pretend that other countries can pick up the slack for us. Although the Government are negotiating free trade agreements with six other countries and have two agreed, these will not be able to replace the food we import from the EU. And if we care about animal welfare, we should want to work with the EU because it still has equivalent animal welfare standards, contrary to Australia and New Zealand, from which food can now be imported, tariff free, without any equivalence to

our welfare standards. Frankly, geography matters, which is why adding more friction to the process will lead not only to shortages and delays but to inflation and costs for everyone.

Under this Tory hard Brexit, we left the EU customs union, the single market and the VAT area, and we have been threatening our own customs controls ever since. Understandably, businesses have been driven mad by the fact that those controls have been postponed five times. In the meantime, we have all been stuck with the bill at the checkouts.

The white elephants of Brexit stand empty at our expense, as the Government have spent more than £700 million on border facilities and jobs. Sevington in Kent cost £154 million, including £70 million on the border control post infrastructure alone, and £25 million has been spent on Portsmouth, £12 million on Holyhead and £3 million on North Weald. I am sure those communities would rather use the money for something else.

In theory, all of that will finally change this year. In just 12 days' time, if businesses want to import pork, beef, reindeer, camel, frogs' legs, cream, yoghurt, flour, beeswax—but not honey—or animal paws, they will need a health certificate. That all means finding a vet who will sign the health check.

Ministers have told me that more than half of the expected £330 million annual cost of the scheme to businesses will come from these certificates, but they have also said that it is not as bad as the more onerous tracking system they previously suggested, which would have cost businesses £520 million a year. Frankly, that is like me telling my kids that they should be grateful that I have let them keep the bell on their Lindt bunny because I was originally going to take that too, along with all the chocolate.

Health certificates are one thing, but the Government have also been consulting on introducing a charge to cover the cost of the scheme—the so-called common user charge. That is planned for April, just 100 days away. The consultation says the charge could be £43, but it might be less or more. It would be helpful for British businesses to know whether it is coming in at all in 100 days' time, as well as knowing what the charge will be.

The charge is intended to apply to each consignment, whether it is one leg of lamb or a van full of reindeer and frogs' legs. As 65% of lorries coming into this country carry multiple consignments, known as groupage, it is clear how expensive this way of applying the charge will be. The Government have therefore chosen to fund the new border by imposing fees directly on businesses that import. The pledge that Brexit would be a bonfire of regulation turned into a smouldering pile of paperwork that will kill imports for small businesses.

It does not have to be that way. A veterinary deal with Europe could remove the requirement for export health certificates. Joining the pan-European Mediterranean convention, which is wider than the EU and includes Israel and north African countries, would also help, as businesses could make use of the EU hubs where products from outside are often consolidated.

Frankly, even if businesses pay, there is no guarantee that they will get a service. The Government are planning to check just 30% of imports. Just when I thought it could not get any more complicated, in 286 days' time

they want to introduce safety and security declarations for all EU imports. These will be required even if the pallets coming in on a truck are empty. It relies on the single trade window process not being a total disaster, yet at present businesses have no idea whether the technology is working.

Of course, all of this is different for businesses trading from Northern Ireland. Those “not for EU” stickers, which will help to protect the border with the EU and Ireland, reflect the lunacy of all those people who tried to argue that technology could prevent trade barriers. In a situation where we are the smaller market, it is not hard to see that, when companies trading in multiple nations are faced with such policies, they will move away from doing business with us, focusing instead on less complicated markets. Between 1999 and 2000, the EU accounted for 50% to 55% of UK exports. By 2022, that had already fallen to 42%.

Traders in Belgium have already publicly said that they are not going to spend any more time trying to figure out what the Government are up to. They say that they have been marched up the hill too many times, only for the scheme to be delayed at the last minute. They say that they are willing to risk friction rather than the paperwork.

The Institute of Export and International Trade points out that more than 20 different measures on imports will come into force between the end of last September and the end of this year. The freight representatives point out that the lorry drivers need to go through the same entry and exit systems, and will be in the queues behind the schoolkids and the holidaymakers undergoing checks. They will be stuck behind those school coaches, with all the knock-on effects for the picking up and transportation of imported consignments. The representatives say they estimate that would create around 70 miles of freight traffic, turning Dover into a literal lorry park. Little wonder that Nichola Mallon, Logistics UK’s head of trade policy, says that businesses have still not been given all of the detail and guidance they need to plan and prepare and that there is a high risk of delays, traffic congestion, higher prices and reduced choice for consumers.

We all understand the need for checks to stop things such as African swine flu, but given that this country has not even signed up to be part of the shared biosecurity alerts, it is clear that there are other things we could do to help tackle that. Those charged with running the service certainly have their doubts. Health inspectors at Dover have had a 70% cut to their funding to do any of the work to try to stop infections reaching our shores in the first place. Those in Dover would know about all this, because they are in the frontline. Goodness knows what is happening in the west coast ports, which are operating to a different timetable. That will open up further loopholes and complications with ports such as Holyhead, Pembroke and Fishguard, which are the land bridge to Ireland, also facing confusion.

I have a series of questions for the Minister, and I hope that she will take interventions when she responds so that we can get to the bottom of this. First and foremost, can the Minister actually confirm whether any checks will be made to lorries on our borders in 12 days’ time to see whether the goods in them have environmental health certificates? What work is her

Government doing to ensure that there are enough vets in Europe to provide the certificates? Can she confirm whether they even exist?

If there are not going to be checks on lorries in 12 days’ time, as she has previously told businesses, when will the health certificate checks come in? What will happen to a lorry that does not have one? Can she confirm that the opening hours for the border control posts match the just-in-time supply chains, so that we do not see lorries of rotting foods sitting in our ports waiting to be checked? When will the common user charge be applied and what will it be? If it is common, it should be uniform, so can she tell businesses here and now whether it is happening and what it will be per consignment, or whether it will take account of groupage? The Government said in December that they would provide this information and businesses are still waiting.

Will the Minister confirm what the common user charge will cover? Is it in addition to all the other charges from the Port Health Authority and the Animal and Plant Health Agency, and does it cover customs fees? If the checks are not going to be made, when will they be made? What will she do about traffic management in Kent? Currently, there are 40 inspectors in the port of Dover. How many has her Department assessed are needed, and why are only 30% of them being checked, if this is about biosecurity? What will they do if a lorry goes to the wrong port, or tries to shop around? Does she expect different border control ports to charge the same fees for their services, or will they set their own? How will she stop those lorries from trying to game the system?

Can the Minister tell us about the status of the single trade window project, and whether Fujitsu is involved in its delivery at all? The Government have admitted that this will cause inflation, but they are trying to claim it is going to be just 0.2% over three years. In their response to me, they said that

“will depend greatly on how businesses adapt their business models and supply chains to integrate the new controls regimes”, putting the pressure on business to pay for the Government’s scheme.

Will the Minister clarify what the variation might be if businesses do not do that, and what has been calculated into inflation, if they cannot get to grips with the Government’s new system? What impact is her Department predicting that the situation will have on food prices in that first year—not over three years, but in the first year? Why will this Government not come clean on the data sources they are using to make those calculations? What commercial confidentiality behind calculating inflation and the impact of the policies possibly trumps the public’s right to know how expensive it will be to put food on the table?

No doubt the Minister will say that an outbreak of foot and mouth disease would cost business more than this scheme, but will she set out the cost of the administration of this project, separately from the health checks that the Government have calculated? Can she clarify the timetable for the introduction of the west coast port charges and what the difference in the regime will be? Will she explain why the Government have not negotiated a veterinary deal? Are they even looking at the pan-Euro-Mediterranean convention to try to solve these problems without giving businesses all this extra

[Stella Creasy]

paperwork? Above all, what is she doing to warn the public about the potential impact on their food supply and costs? Or is she prepared to say here and now, on the record, that there will be no delay in food provision, no shortages and no increase in prices?

Nobody wants to eat meat that has been sitting in the docks or beeswax that is off, even if it had a health certificate when it started its journey. Because of what is happening, the UK has already dropped from fourth in the World Bank logistics performance index to joint 19th. The main challenges result from border friction, which is contributing to the decline in just-in-time supply chains and efficient customs.

It does not take a rocket scientist to work out that this scheme will clearly make things harder for British business. No wonder it has been delayed five times. With so many people struggling with the cost of living crisis, surely the best thing is to think again. The scheme will make things harder for British business; at worst, it will be a nightmare. I ask the Minister: will she give people some relief and say that it is off again?

2.46 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): I thank the hon. Member for Walthamstow (Stella Creasy) for securing this important debate. As she will know, the upcoming implementation of the first phase—I stress that it is the first phase—of the border target operating model is a really important milestone for the UK and reflects a long period of intensive work across Government. I am pleased to have the opportunity to talk about what is in place and to address some of the issues that the hon. Lady raised, but I am sure she will accept that she had a very long list of questions. I will do my best to answer them, but if I do not cover them all, I will ensure that she gets some written answers. I hope that is acceptable.

Introducing biosecurity controls on imports is not optional. Now that we have moved away from the EU's rigid biosecurity surveillance and reporting systems, we are responsible for protecting our own biosecurity from threats such as African swine fever, which is really serious for our pig industry, and Xylella, which would be terrible for our plant communities in this country. Such threats could devastate UK industries and cause significant damage to the environment, public health and the wider economy. The hon. Lady is absolutely right that geography matters; that is why we are taking the issue so seriously. We have to keep these threats out of our country.

Biosecurity controls are also essential to protect our exports and our international trading interests. Our trading partners want to be reassured that we maintain the highest biosecurity standards. We have the option to introduce additional controls if there are diseases that we really need to get a grip on. As I am sure the hon. Lady will know, we introduced some additional measures on swine fever back in 2022, which shows how importantly we take the issue.

The overall ambition of the border target operating model is to introduce robust, risk-based controls that protect biosecurity while reducing administrative and cost burdens for importers. Recognising that the introduction of these essential new controls could pose

challenges for businesses, we developed the border target operating model in extensive consultation with industry, including many small and medium-sized enterprises, as I am sure the hon. Lady is aware. During that design phase, some 10,000 participants joined our many stakeholder events, we received 200 written responses to our invitation to comment through our online portal and we had over 650 detailed responses at focus sessions with food retailers and producers, the logistics sector and many others.

We have responded to the feedback that we received, as will be evident in the implementation of the first phase of the border target operating model from 31 January this year. For example, we have designed a new certification logistics pilot to support the movement of goods from hubs in the EU. We have provided further facilitation and guidance for importers using groupage models—the hon. Lady referred to groupage models, where a lorry delivers a whole lot of different models in one lorry—in terms of moving sanitary and phytosanitary goods into the UK, in order to make the system of certification more streamlined.

The phase approach implementation will allow businesses time to familiarise themselves with the new requirements before full implementation, on 30 April this year. The measures will make the process of complying with the sanitary and phytosanitary controls easier for a wide range of businesses, including SMEs. For example, the certification logistics pilot will allow certain businesses moving goods by groupage to use a single export health certificate from the point of origin through to the goods arrival in Great Britain. Amendments and simplification of export health certificates will mean individual certificates can now cover multiple types of animal products, which should help some of those groups such as dairy or cheeses.

Over the long term, as promised when we published the UK 2025 border strategy in 2020, the border target operating model will introduce a range of technological advances to ensure a fully 21st century border that facilitates UK trade. The development of the single trade window will make the process of importing to the UK simpler and more streamlined, enabling importers to meet their border obligations by submitting information only once.

To clarify, the single trade window will be coming in later. As I am sure the hon. Lady knows, the platform is being developed and His Majesty's Revenue and Customs is working on that. Ultimately, the border target operating model achieves the lowest regulatory obligations for businesses, consistent with the need to protect biodiversity and public health, in addition to facilitation from better use of technology and data. That is achieved through a more proportionate approach to risk.

We have already removed import health controls for fruit and vegetables, such as citrus and mangos, which are either not produced commercially in the UK or present a negligible risk. The hon. Lady referred to vegetables; lots of vegetables have been looked at to come up with a simpler system. I have checked and if it is seen that a risk might arise to do with any of those commodities, such as vegetables in particular, we have a right to change that later.

For low-risk animal products, as a matter of routine we will require only electronic prenotification, which is already in place. Low risk plant produce, such as fruit and vegetables, with no specific disease or pest risk associated, will be removed from import health control

requirement altogether. For example, cucumbers and gherkins are classed as low risk. On all high and medium risk goods, while we will retain health certification and physical inspection, more UK-specific targeted risk categorisation allows for lower inspection rates than under the EU model, while documentary-only checks will be performed remotely.

As a result, the additional costs to businesses associated with the new system—the BTOM—are substantially less than they would have been if we had extended the inherited EU model to all of our imports. Compared to the original import model that was scheduled to have been introduced in 2022, we believe that the new model will reduce costs to businesses by around £500 million per annum, by reducing the complexity and volume of paperwork associated with the importing.

I have time to refer quickly to a couple of questions.

Stella Creasy *rose*—

Rebecca Pow: The hon. Lady asked a whole range of questions, which I can skim through. Shall I do that first?

Stella Creasy: It might help if I clarified which particular questions, as I recognise that there are many there.

Rebecca Pow: The hon. Lady mentioned that she has had a number of letters from and exchanges with Baroness Neville-Rolfe on the whole data issue. As has already been conveyed to her, it was decided that His Majesty's Government would be unable to release the full inputs of the modelling that were included in the data because some of the sources are commercially sensitive, particularly in relation to other ports and so forth. I think she was probably going to ask me about that again.

In terms of food price inflation, initial analysis has indicated that the policies introduced would lead to an approximate increase in consumer food price inflation of less than 0.2% over a three-year period. We also have to consider the potential cost of a major disease outbreak, such as foot and mouth, which would have far more serious consequences. The 2001 foot and mouth disease outbreak cost about £12.8 billion in 2022 prices: £4.8 billion to the Government and £8 billion to the private sector. We have to look at all that. The Government's modelling on the inflationary impact of the border target operating model has been undertaken through a peer-reviewed econometric model; there has been a huge amount of modelling. I hope that answers that question.

Stella Creasy: Can I be critical? We are talking about something that is potentially coming in in 12 days' time. I recognise that I gave her a long list of questions because there is so much that comes from this policy. Let me give her three that we would really appreciate a direct answer on. First, what checks will be done in 12 days' time at our border on the lorries? Will there be any checks at all on the health certificates? Secondly, what will the common user charge be in April, in 100 days' time? What will businesses have to pay to import?

Thirdly, will she say on the record, here and now, that there will be no impact on food pricing or food availability in the UK as a result of these policies—yes or no?

Rebecca Pow: On the last question, I have given the hon. Lady the information on what our modelling highlighted about the potential approximate increase of food price inflation: less than 0.2% over a three-year period. In terms of checks on lorries at ports from January, health certificates will be needed on medium and high-risk goods. There will be a change in the pre-notification methodology, but not on introduction of the new requirement. A sample of remote documentary checks will be required on some medium-risk consignments. Obviously, we will still be educating and working with businesses about what they need to do and how to comply.

We will definitely write to the hon. Lady if there is any further information because the issue is very detailed, and it is hard to try to race through the answers here. I thank the hon. Lady for raising these issues. Obviously, this is a whole new regime for businesses to get used to. I think I have laid out that it is a much simpler system—more transparent and risk based—and that it was based on a great deal of consultation. I shall leave it there.

Stella Creasy: Can I just put on the record on behalf of British business—this is mad? We are talking about something that is happening in 12 days' time. Trucks do not know whether they will need to provide a PDF of the check at the border. In 100 days' time, there will allegedly be a charge, but nobody knows what that charge will be, so nobody can factor that into their costs, let alone—

Rebecca Pow: Can I just intervene—

Mr Deputy Speaker (Sir Roger Gale): Order. One at a time, please.

Stella Creasy: If the Minister can tell us what the charge will be—please, do let us know.

Rebecca Pow: I just want to put on the record that the common charge is not set yet. We have consulted on a rate and will be publishing the rate immediately. There will also be no checks on the border, and documentary checks—as I said, actually—will be remote. There is going to be no stopping of consignments.

Stella Creasy: So there we have it: in 12 days' time, businesses will have to pay for these certificates, but they will not be asked to provide them, and in 100 days' time they might have an extra cost but they do not know what it is—

Mr Deputy Speaker (Sir Roger Gale): Order. The Minister has sat down; I took it that she was giving way so I allowed the hon. Member for Walthamstow (Stella Creasy) to come in, but the Minister has now clearly sat down, so that is the end of the debate.

Question put and agreed to.

3 pm

House adjourned.

Written Statement

Friday 19 January 2024

EDUCATION

School Accountability

The Secretary of State for Education (Gillian Keegan):

Following the tragic death of Ruth Perry, the Department for Education and the Office for Standards in Education, Children's Services and Skills—Ofsted—have today published their respective responses to the regulation 28 report from the senior coroner for Berkshire, Heidi Connor, following her inquest.

Over the past year, I have engaged with Ruth Perry's family, colleagues and friends to support the introduction of important changes to inspection, announced in June 2023. Further changes were made by Ofsted in the autumn, and it carried out additional inspector training earlier this month.

Both the Department and Ofsted will continue to improve the inspection and wider accountability arrangements, to make sure that they are implemented with empathy and sensitivity, while also providing the necessary assurance that pupils are kept safe and receiving a high quality education.

A copy of the responses will be placed in the Libraries of both Houses.

[HCWS197]

WRITTEN STATEMENT

Friday 19 January 2024

	<i>Col. No.</i>
EDUCATION	45WS
School Accountability.....	45WS

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 26 January 2024**

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 19 January 2024

Building Societies Act 1986 (Amendment) Bill [Col. 1131]

Motion for Second Reading—(Julie Elliott)—agreed to

Pet Abduction Bill [Col. 1164]

Motion for Second Reading—(Anna Firth)—agreed to

Licensing Hours Extensions Bill [Col. 1192]

Motion for Second Reading—(Mrs Emma Lewell-Buck)—agreed to

Children in Hospital for Extended Periods (Report to Parliament) Bill [Col. 1201]

Motion for Second Reading—(Sir Oliver Heald)—withdrawn

Border Target Operating Model: Health Certificates and SMEs [Col. 1209]

Debate on motion for Adjournment

Written Statement [Col. 45WS]
